

**EXHIBIT NO. \_\_\_\_ (RG-16)**  
**DOCKET NO. UE-07 \_\_\_\_**  
**2007 PSE PCORC**  
**WITNESS: ROGER GARRATT**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-07 \_\_\_\_**

**FIFTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
ROGER GARRATT  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**MARCH 20, 2007**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

Calpine Corporation, et al.,

Debtors.

)  
)  
) Chapter 11  
)  
) Case No. 05-60200 (BRL)  
) Jointly Administered  
)

**ORDER (I) AUTHORIZING FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS (A) THE TRANSFER BY CALPINE CORPORATION TO GOLDENDALE ENERGY CENTER, LLC OF CERTAIN ASSETS RELATING TO THE GOLDENDALE PROJECT, (B) THE CONTRIBUTION OF SUBSTANTIALLY ALL OF THE ASSETS OF GOLDENDALE ENERGY CENTER LLC TO A NEWLY FORMED LIMITED LIABILITY COMPANY, (C) THE SALE OF ALL OF THE MEMBERSHIP INTERESTS IN THE NEWLY FORMED LIMITED LIABILITY COMPANY TO PUGET SOUND ENERGY, INC., (D) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION THEREWITH; AND (II) GRANTING RELATED RELIEF**

This matter is before the Court on the motion<sup>1</sup> (the “Sale Motion”) [Docket No. 3158], dated November 14, 2006, of Goldendale Energy Center, LLC (the “Selling Debtor”) and Calpine Corporation (“Calpine”) for entry of an order, pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007 and 9014: (A) approving the membership interests purchase agreement, a copy of which was attached as Exhibit D to the Sale Motion, as amended by that certain Amendment to Membership Interests Purchase Agreement attached hereto as **Exhibit A** (collectively, and as may be further amended from time to time, the “MIPA”) by and among the Selling Debtor and Puget Sound Energy, Inc. (the “Purchaser”), and such other agreements to be entered into and among the parties as contemplated therein; (B) approving the Transfer and Contribution Agreement (the “TCA”) by and among the Selling Debtor, Calpine and a limited liability company to be wholly owned by

<sup>1</sup> Unless otherwise stated, all capitalized terms not defined herein shall have the same meaning as set forth in the MIPA (as defined herein) and the Sale Motion, as applicable.



the Selling Debtor and which shall be formed immediately prior to the consummation of the MIPA (the “New LLC”) and authorizing the following transfers and contributions (collectively, the “Transfers”) free and clear of all liens, claims, encumbrances, and other interests (all such liens, claims, encumbrances and other interests shall be referred to collectively as the “Liens”) other than any Permitted Liens and Assumed Liabilities: (i) the transfer by Calpine to the Selling Debtor of the Additional Real Property and the assumption by Calpine and assignment to the Selling Debtor of the Additional Real Property Farming Lease for inclusion in the Acquired Assets to be transferred by the Selling Debtor to the New LLC; and (ii) the contribution by the Selling Debtor of the Acquired Assets (including the Additional Real Property, the Additional Real Property Farming Lease, and the assumption by the Selling Debtor and the assignment to New LLC of the Assigned Contracts) to the New LLC in exchange for the issuance to Selling Debtor of all of the membership interests in New LLC; (C) authorizing the sale (the “Sale”) of all of the membership interests in the New LLC to the Purchaser free and clear of all Liens, other than any Permitted Liens and Assumed Liabilities; and (D) granting certain related relief; and the Court having heard statements of counsel and the evidence presented in support of the relief requested by the Selling Debtor and Calpine in the Sale Motion at a hearing before the Court on February 7, 2007 (the “Sale Hearing”); and it appearing that the Court has jurisdiction over this matter; and it further appearing that the legal and factual bases set forth in the Sale Motion and at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation thereon,

THE COURT HEREBY FINDS AND DETERMINES THAT:<sup>2</sup>

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<sup>2</sup> The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the

**Jurisdiction, Final Order and Statutory Predicates**

A. This Court has jurisdiction to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

C. The statutory predicates for the relief requested in the Sale Motion are sections 105(a), 363(b), (f), and (m) and 365 of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2), 6004(a), (b), (c), (e) and (f), 6006(a) and (c), 9007 and 9014.

D. The Court entered the Bidding Procedures Order on December 6, 2006 [Docket No. 3217].

**Notice of the Transfers, Sale, Auction and the Cure Amounts**

E. Actual written notice of the Sale Hearing, the Auction, the Sale Motion, the Transfers, the Sale, the assumption, assignment and sale of the Assigned Contracts and a reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested persons and entities, including, but not limited to: (i) the United States Trustee for the Southern District of New York; (ii) counsel to the Creditors' Committee; (iii) counsel to the administrative agents for the Debtors' prepetition secured lenders; (iv) counsel to the ad hoc committee; (v) the indenture trustees pursuant to the Debtors' secured indentures; (vi) counsel to the Debtors' postpetition lenders; (vii) all known

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(continued...)

Court at the Sale Hearing in relation to the Sale Motion are hereby incorporated herein to the extent not inconsistent herewith. To the extent that any of the following findings of fact

creditors of the Selling Debtor as identified in Schedules D through G of the Selling Debtor's Schedules of Assets and Liabilities and any other party that has filed a proof of claim against the Selling Debtor; (viii) the Securities and Exchange Commission; (ix) all taxing authorities having jurisdiction over any of the Acquired Assets or the Purchased Interests, including the Internal Revenue Service and the Department of Revenue of the State of Washington; (x) any pension fund or multiemployer pension plan to which the Debtors have made contributions; (xi) the United States Department of Justice; (xii) counsel to the Equity Committee; (xiii) all parties that have requested special notice pursuant to Bankruptcy Rule 2002; (xiv) the Purchaser and its counsel; (xv) all persons or entities known or reasonably believed to have asserted a Lien on any of the Acquired Assets or the Purchased Interests; (xvi) the counterparties to each of the Assigned Contracts; (xvii) all persons or entities known or reasonably believed to have expressed an interest in acquiring the Acquired Assets; (xviii) the Attorney General in the State where the Acquired Assets are located; (xix) the United States Environmental Protection Agency; (xx) the Washington Department of Ecology; (xxi) all persons or entities known or reasonably believed to have asserted a claim or interest related to the Additional Real Property or the Additional Real Property Farming Lease; (xxii) all parties in the action Estate of Jones v. Calpine Corp. filed on June 11, 2003 in the United States District Court for the Western District of Washington, including the estates of Darrell Jones and Cynthia Jones; and (xxiii) all parties that have provided credit support on behalf of the Selling Debtor.

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(continued...)

constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

F. The Selling Debtor published notice of the Sale Motion, the Transfers, the Sale and the time and place of the proposed Auction and the Sale Hearing in the National Edition of The Wall Street Journal and The Seattle Times on December 14, 2006.

G. In accordance with the provisions of the Bidding Procedures Order, the Selling Debtor and Calpine have served notice of the cure amounts (the “Cure Notice”) upon each non-debtor counterparty to an Assigned Contract that the Selling Debtor and Calpine, as applicable, seek to assume and assign to the Selling Debtor and to the New LLC, as applicable. The service of such Cure Notice was good, sufficient and appropriate under the circumstances and no further notice need be given in respect of establishing a Cure Amount for the respective Assigned Contract. Non-debtor counter-parties to the Assigned Contracts have had an opportunity to object to the Cure Amount set forth in the Cure Notice.

H. As evidenced by the affidavits of service previously filed with this Court, proper, timely, adequate, and sufficient notice of the Sale Motion, the Auction, the Sale Hearing, the Transfers, and the Sale has been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006 and 9014. The Selling Debtor and Calpine also have complied with all obligations to provide notice of the Sale Motion, the Auction, the Sale Hearing, the Transfers, and the Sale required by the Bidding Procedures Order. The foregoing notice described in paragraphs E through H was good, sufficient and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Auction, the Sale Hearing, the Transfers, the Sale, or the assumption, assignment and sale of the Assigned Contracts is required.

I. The disclosures made by the Selling Debtor and Calpine concerning the TCA, the MIPA, the Transfers, the Sale, and the Sale Hearing were good, complete and adequate.

**Good Faith of Purchaser**

J. The Purchaser is not an “insider” of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code.

K. Purchaser is purchasing the Purchased Interests in good faith and is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to the full protection of that provision, and otherwise has proceeded in good faith in all respects in connection with this proceeding in that, *inter alia*: (a) Purchaser recognized that the Selling Debtor was free to deal with any other party interested in acquiring the Purchased Interests; (b) Purchaser complied with the provisions in the Bidding Procedures Order; (c) Purchaser agreed to subject its bid to the competitive bidding procedures set forth in the Bidding Procedures Order; (d) Purchaser in no way induced or caused the chapter 11 filing by the Selling Debtor or any other Debtors; (e) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection with the Sale have been disclosed; (f) Purchaser has not violated section 363(n) of the Bankruptcy Code by any action or inaction; (g) no common identity of directors or controlling stockholders exists between the Purchaser and any of the Debtors; and (h) the negotiation and execution of the MIPA and any other agreements or instruments related thereto was at arms’ length and in good faith.

**Highest and Best Offer**

L. The Selling Debtor conducted an auction process in accordance with, and has otherwise complied in all respects with, the Bidding Procedures Order. The auction process set forth in the Bidding Procedures Order afforded a full, fair and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Acquired Assets or the Purchased Interests. The Auction was duly noticed and conducted in a noncollusive, fair and

good faith manner and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Acquired Assets or the Purchased Interests.

M. The MIPA constitutes the highest and best offer for the Acquired Assets and the Purchased Interests, and will provide a greater recovery for the Selling Debtor's estate than would be provided by any other available alternative. The Selling Debtor's determination that the MIPA constitutes the highest and best offer for the Acquired Assets and the Purchased Interests constitutes a valid and sound exercise of the Selling Debtor's business judgment.

N. The MIPA represents a fair and reasonable offer to purchase the Purchased Interests under the circumstances of these chapter 11 cases. No other person or entity or group of entities has offered to purchase the Acquired Assets or the Purchased Interests for greater economic value to the Selling Debtor's estate than the Purchaser.

O. Approval of the Sale Motion, the TCA and the MIPA, and the consummation of the transactions contemplated therein, is in the best interests of the Debtors, their creditors, their estates and other parties in interest.

P. The Selling Debtor and Calpine have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sale prior to, and outside of, a plan of reorganization.

#### **No Fraudulent Transfer**

Q. The consideration provided by the Purchaser pursuant to the MIPA is fair and adequate and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

R. The Purchaser is not a mere continuation of the Selling Debtor, Calpine or their respective estates and there is no continuity of enterprise between the Purchaser and the Selling



Debtor or Calpine. The Purchaser is not holding itself out to the public as a continuation of the Selling Debtor or Calpine. The Purchaser is not a successor to the Selling Debtor, Calpine or their respective estates and the Sale does not amount to a consolidation, merger or de facto merger of Purchaser and the Selling Debtor or Calpine. The transactions contemplated by the MIPA are not being entered into fraudulently or in order to escape liability for the Selling Debtor's or Calpine's debts.

### **Validity of Transfers and Sale**

S. The Selling Debtor and Calpine, as applicable, have full corporate power and authority to execute and deliver the TCA, the MIPA and all other documents contemplated thereby, and no further consents or approvals are required for the Selling Debtor or Calpine to consummate the transactions contemplated by the TCA and the MIPA, except as otherwise set forth in the MIPA.

T. The transfer of each of the Additional Real Property and the Additional Real Property Farming Lease to the Selling Debtor will be as of the Closing Date a legal, valid, and effective transfer of such assets, and vests or will vest the Selling Debtor with all right, title, and interest of Calpine to such assets free and clear of all Liens accruing, arising or relating to any time prior to the Closing Date, except for any Permitted Liens and Assumed Liabilities under the MIPA.

U. The transfer of each of the Acquired Assets to the New LLC will be as of the Closing Date a legal, valid, and effective transfer of such assets, and vests or will vest the New LLC with all right, title, and interest of the Selling Debtor to the Acquired Assets free and clear of all Liens accruing, arising or relating to any time prior to the Closing Date, except for any Permitted Liens and Assumed Liabilities under the MIPA.

V. The transfer of each of the Purchased Interests to the Purchaser will be as of the Closing Date a legal, valid, and effective transfer, and vests or will vest the Purchaser with all right, title, and interest of the Selling Debtor to the Purchased Interests free and clear of all Liens accruing, arising or relating to any time prior to the Closing Date, except for any Permitted Liens and Assumed Liabilities under the MIPA.

**Section 363(f) Is Satisfied**

W. The Purchaser would not have entered into the MIPA and would not consummate the transactions contemplated thereby if the transfer of the Acquired Assets to New LLC, the assumption and assignment of the Assigned Contracts to New LLC, and the sale of the Purchased Interests to the Purchaser were not, except as otherwise provided in the MIPA with respect to the Assumed Liabilities and Permitted Liens, free and clear of all Liens of any kind or nature whatsoever, or if the Purchaser or New LLC would, or in the future could (except and only to the extent expressly provided in the MIPA with respect to the Assumed Liabilities and the Permitted Liens), be liable for any of such Liens, including, but not limited to, Liens in respect of the following: (1) any labor agreements; (2) all mortgages, deeds of trust and security interests; (3) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of any Debtor; (4) any other employee, worker's compensation, occupational disease or unemployment or temporary disability related claim, including, without limitation, claims that might otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment and Retraining Act of 1988, (g) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (h) the Americans with Disabilities Act of 1990, (i) the

Consolidated Omnibus Budget Reconciliation Act of 1985, (j) state discrimination laws, (k) state unemployment compensation laws or any other similar state laws, or (1) any other state or federal benefits or claims relating to any employment with any of the Debtors or any of their respective predecessors; (5) any bulk sales or similar law; (6) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (7) any theories of successor liability.

X. The Selling Debtor and Calpine, as applicable, may transfer the Acquired Assets to the Selling Debtor and the New LLC, as applicable, and sell the Purchased Interests to Purchaser free and clear of all Liens against the Selling Debtor, Calpine, their respective estates or any of the Acquired Assets (except for any Permitted Liens and Assumed Liabilities under the MIPA) because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. With respect to any and all entities asserting a Lien, including, without limitation, any options, pledges, security interests, claims, equities, reservations, third party rights, voting trusts or similar arrangements, charges or other encumbrances or restrictions on or conditions to transfer or assignment of any kind (including, without limitation to the generality of the foregoing, restrictions or conditions on or to the transfer, assignment or renewal of licenses, permits registrations and authorizations or approvals of or with respect to governmental units and instrumentalities), whether direct or indirect, absolute or contingent, matured or unmatured, liquidated or unliquidated on or against the Acquired Assets or the Purchased Interests either (i) such entity has consented to the sale and transfer, license and assignment, as applicable, free and clear of its Lien, with such Lien to attach to the proceeds of such sale and transfer, license and assignment, as applicable, respectively, (ii) applicable nonbankruptcy law permits the sale of the assets free and clear of such Lien, (iii) such

Lien is in *bona fide* dispute, or (iv) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Lien, so that the conditions of section 363(f) of the Bankruptcy Code have been met.

Y. Those holders of Liens against the Debtors, their estates, any of the Acquired Assets or the Purchased Interests who did not object, or who withdrew their objections, to the Transfers, the Sale or the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of such Liens who did object fall within one or more of the other subsections of section 363(f) and are adequately protected by having their Liens, if any, in each instance against the Selling Debtor, Calpine, their respective estates, any of the Acquired Assets or the Purchased Interests, attach to the cash proceeds of the Sale ultimately attributable to the Acquired Assets in which such creditor alleges an interest, in the same order of priority, with the same validity, force and effect that such creditor had prior to the Sale, subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

**Assumption and Assignment of the Assigned Contracts**

Z. The assumption and assignment of the Assigned Contracts pursuant to the terms of this Order is integral to the MIPA and is in the best interests of the Selling Debtor, Calpine and their respective estates, creditors and other parties in interest, and represents the reasonable exercise of sound and prudent business judgment by the Selling Debtor and Calpine.

AA. The respective amounts set forth on **Exhibit B** annexed hereto are the sole amounts necessary under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all monetary defaults and pay all actual pecuniary losses under the Assigned Contracts (the “Cure Amounts”).

BB. The Selling Debtor and Calpine, as applicable, have (directly or through Purchaser): (i) cured and/or provided adequate assurance of cure of any default existing prior to

the Closing Date under any of the Assigned Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code; and (ii) provided compensation or adequate assurance of compensation to any party for actual pecuniary loss to such party resulting from a default prior to the Closing Date under any of the Assigned Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code.

CC. The Purchaser has provided adequate assurance of its and/or the New LLC's future performance under the relevant Assigned Contracts within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

**Compelling Circumstances for an Immediate Sale**

DD. To maximize the value of the Acquired Assets and the Purchased Interests and to preserve the viability of the business to which the Acquired Assets and the Purchased Interests relate, it is essential that the Sale of the Purchased Interests occur within the time constraints set forth in the MIPA. Time is of the essence in consummating the Sale.

EE. Given all of the circumstances of these chapter 11 cases and the adequacy and fair value of the purchase price under the MIPA, the proposed Transfers of the Additional Real Property and the Additional Real Property Farming Lease to the Selling Debtor and the Acquired Assets to the New LLC, followed by the proposed Sale of the Purchased Interests to the Purchaser constitutes a reasonable and sound exercise of the Selling Debtor's and Calpine's business judgment and should be approved.

FF. The consummation of the transaction is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f), and all of the applicable requirements of such sections have been complied with in respect of the transaction.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

**General Provisions**

1. The relief requested in the Sale Motion is granted and approved, and the Transfers and the Sale contemplated thereby are approved as set forth in this Order.

2. All objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits or the interests of such objections have been otherwise satisfied or adequately provided for.

**Approval of the TCA and the MIPA**

3. The TCA and the MIPA and all ancillary documents and all of the terms and conditions thereof are hereby approved.

4. Pursuant to section 363(b) of the Bankruptcy Code, Calpine is authorized and empowered to take any and all actions necessary or appropriate to transfer title to the Additional Real Property to the Selling Debtor and to assume the Additional Real Property Farming Lease and assign it to the Selling Debtor pursuant to the TCA, so that the Additional Real Property and the Additional Real Property Farming Lease are included in the Acquired Assets being transferred from the Selling Debtor to the New LLC under the TCA and in accordance with the MIPA.

5. Pursuant to section 363(b) of the Bankruptcy Code, the Selling Debtor is authorized and empowered to take any and all actions necessary or appropriate to (i) form the New LLC and to consummate the Transfers of each of the Acquired Assets to the New LLC pursuant to and in accordance with the terms and conditions of the TCA and the MIPA, (ii)

consummate the Sale of the Purchased Interests to the Purchaser pursuant to and in accordance with the terms and conditions of the MIPA, (iii) close the Sale as contemplated in the MIPA and this Order, and (iii) execute and deliver, perform under, consummate, implement and close fully the TCA and the MIPA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the TCA, the MIPA, the Transfers and the Sale, including any other ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the TCA and the MIPA and such other ancillary documents.

6. This Order shall be binding in all respects upon the Debtors, including the Selling Debtor, their estates, all creditors of, and holders of equity interests in, any Debtor (whether known or unknown), any holders of Liens against or on all or any portion of the Acquired Assets or the Purchased Interests, all non-Debtor parties to the Assigned Contracts, New LLC and all successors and assigns of New LLC, the Purchaser and all successors and assigns of the Purchaser, the Acquired Assets, the Purchased Interests and any trustees, if any, subsequently appointed in any of the Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code of any of the Debtors' cases. This Order, the TCA and the MIPA shall inure to the benefit of the Debtors, their estates, their creditors, New LLC, the Purchaser and their respective successors and assigns. Neither the TCA nor the MIPA shall be subject to rejection.

**Transfers of the Acquired Assets and the Purchased Interests**

7. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, the Selling Debtor is authorized to form the New LLC. Upon formation, the New LLC shall be free and clear of, and shall have no liability for, (a) any and all Liens, and (b) all interests, liabilities, obligations or claims, including, without limitation, all "claims" within the

meaning of section 101(5) of the Bankruptcy Code and any claims pursuant to any successor or successor-in-interest liability, control group liability or consolidated group liability theory.

8. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, the Selling Debtor and Calpine, as applicable, are authorized to transfer the Acquired Assets (including assumption and assignment of the Assigned Contracts) to the Selling Debtor and to the New LLC, as applicable. Such Transfers shall constitute a legal, valid, binding and effective transfers of the Acquired Assets (including the Assigned Contracts) to the New LLC, and shall be free and clear of all Liens except any Permitted Liens and Assumed Liabilities under the MIPA. Upon such transfer, the New LLC shall take title to and possession of the Acquired Assets (including the Assigned Contracts) subject only to the Permitted Liens and Assumed Liabilities. Pursuant to section 363(f) of the Bankruptcy Code, the transfer of title to the Acquired Assets (including the Assigned Contracts) shall be free and clear of (a) any and all Liens except for Permitted Liens, and (b) all interests, liabilities, obligations or claims, including, without limitation, all “claims” within the meaning of section 101(5) of the Bankruptcy Code and any claims pursuant to any successor or successor-in-interest liability, control group liability or consolidated group liability theory; provided, however, that the New LLC shall not be relieved of liability with respect to the Assumed Liabilities, including any obligations accruing under the Assigned Contracts from and after the Closing. All Liens shall attach to either, as applicable (i) the intercompany payable from Selling Debtor to Calpine on account of the transfer of the Additional Real Property and the Additional Real Property Farming Lease, or (ii) the membership interests in the New LLC with the same validity, priority, force and effect that they now have as against the Acquired Assets, subject to any claims and defenses the Selling Debtor, Calpine and their respective estates may possess with respect thereto.



9. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, the Selling Debtor is authorized to transfer the Purchased Interests on the Closing Date. Such Purchased Interests shall be transferred to the Purchaser upon and as of the Closing Date and such transfer shall constitute a legal, valid, binding and effective transfer of such Purchased Interests and, upon the Selling Debtor's receipt of the Purchase Price, shall be free and clear of all Liens except any Permitted Liens and Assumed Liabilities under the MIPA. Upon the Closing, the Purchaser shall take title to and possession of the Purchased Interests subject only to the Permitted Liens and Assumed Liabilities. Pursuant to section 363(f) of the Bankruptcy Code, the transfer of title to the Purchased Interests shall be free and clear of (a) any and all Liens except for Permitted Liens, and (b) all interests, liabilities, obligations or claims, including, without limitation, all "claims" within the meaning of section 101(5) of the Bankruptcy Code and any claims pursuant to any successor or successor-in-interest liability, control group liability or consolidated group liability theory. All Liens shall attach solely to the proceeds of the Sale with the same validity, priority, force and effect that they will have as against the membership interests in the New LLC (pursuant to paragraph 8 above), subject to any claims and defenses the Selling Debtor, Calpine and their respective estates may possess with respect thereto.

10. Except as expressly permitted or otherwise specifically provided by the MIPA or this Order, all persons and entities holding Liens or interests in all or any portion of the Acquired Assets or the Purchased Interests (other than Permitted Liens and the Assumed Liabilities) arising under or out of, in connection with, or in any way relating to the Selling Debtor, Calpine, the Acquired Assets, the Purchased Interests, the operation of the Selling Debtor's business prior to the Closing Date, the transfer of the Acquired Assets to New LLC or the transfer of the Purchased Interests to Purchaser, hereby are forever barred, estopped and permanently enjoined

from asserting against New LLC, the Purchaser or its successors or assigns, their property, the Acquired Assets, the Purchased Interests, such persons' or entities' Liens or interests in and to the Acquired Assets or the Purchased Interests. On the Closing Date, each creditor is authorized to execute such documents and take all other actions as may be necessary to release Liens (except Permitted Liens) on the Acquired Assets or the Purchased Interests, if any, as provided for herein, as such Liens may have been recorded or may otherwise exist.

11. Any amounts that may become payable by the Selling Debtor to the Purchaser or a third party in accordance with the terms of the MIPA shall be an allowed administrative claim in an amount equal to such payments in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code.

12. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Selling Debtor to transfer the Acquired Assets to New LLC or to sell and transfer the Purchased Interests to the Purchaser, in each case in accordance with the terms of the MIPA and this Order.

13. All persons and entities that are in possession of some or all of the Acquired Assets on the Closing Date are directed to surrender possession of such Acquired Assets to New LLC or its assignee at the Closing, and all persons and entities that are in possession of some or all of the Purchased Interests on the Closing Date are directed to surrender possession of such Purchased Interests to the Purchaser or its assignee at the Closing.

14. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to cancel any of the Liens and other encumbrances of record except the Permitted Liens.

15. If any person or entity which has filed statements or other documents or agreements evidencing Liens on, or interests in, all or any portion of the Acquired Assets or the Purchased Interests shall not have delivered to the Selling Debtor or Calpine, as applicable, prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all Liens or interests which the person or entity has or may assert with respect to all or any portion of the Acquired Assets or the Purchased Interests, the Selling Debtor and Calpine are hereby authorized and directed, and the Purchaser is hereby authorized, to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Acquired Assets or the Purchased Interests.

16. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the MIPA.

#### **Assigned Contracts**

17. The Selling Debtor and Calpine, as applicable, are authorized, and directed at the Closing, to assume and assign each of the Assigned Contracts to the Selling Debtor or the New

LLC, as applicable, free and clear of all Liens. The payment of the applicable Cure Amounts (if any) shall (a) effect a cure of all defaults existing thereunder as of the Closing Date, (b) compensate for any actual pecuniary loss to such non-Debtor party resulting from such default, and (c) together with the assumption of the Assigned Contracts by the Selling Debtor or the New LLC, as applicable, constitute adequate assurance of future performance thereof. The Selling Debtor and the New LLC, as applicable, shall then have assumed the Assigned Contracts and, pursuant to section 365(f) of the Bankruptcy Code, the assignment by the Selling Debtor and Calpine, as applicable, of such Assigned Contracts shall not be a default thereunder. After the payment of the relevant Cure Amounts, neither the Selling Debtor, Calpine, the New LLC nor the Purchaser shall have any further liabilities to the non-Debtor parties to the Assigned Contracts other than the New LLC's obligations under the Assigned Contracts that become due and payable on or after the Closing Date.

18. Any provisions in any Assigned Contract that prohibit or condition the assignment of such Assigned Contract or allow the party to such Assigned Contract to terminate, recapture, impose any penalty, condition on renewal or extension or modify any term or condition upon the assignment of such Assigned Agreement, constitute unenforceable anti-assignment provisions that are void and of no force and effect. All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Selling Debtor and Calpine, as applicable, and assignment to the Selling Debtor or the New LLC, as applicable, of the Assigned Contracts have been satisfied. Upon the Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, the Selling Debtor and the New LLC, as applicable, shall be fully and irrevocably vested with all right, title and interest of the Selling Debtor and Calpine, as applicable, under the Assigned Contracts.

19. Upon the Closing and the payment of the relevant Cure Amounts, if any, the Selling Debtor and the New LLC shall be deemed to be substituted for the Selling Debtor or Calpine, as applicable, as a party to the applicable Assigned Contracts and the Selling Debtor and Calpine shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Assigned Contracts.

20. Upon the payment of the applicable Cure Amount, if any, and subject to the terms of the stipulation of the parties to any Assigned Contract filed with the Court, if any, (a) each Assigned Contract shall constitute a valid and existing interest in the property subject to such Assigned Contract, (b) none of the Selling Debtor's or Calpine's rights will have been released or waived under any such Assigned Contracts, (c) the Assigned Contracts will remain in full force and effect, and (d) no default shall exist under the Assigned Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default.

21. The Purchaser has provided adequate assurance of its and/or the New LLC's future performance under the relevant Assigned Contracts within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

22. There shall be no rent accelerations, assignment fees, increases (including advertising rates) or any other fees charged to the New LLC, the Purchaser, Calpine or the Selling Debtor as a result of the assumption and assignment of the Assigned Contracts.

23. Pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code, all parties to the Assigned Contracts are forever barred and permanently enjoined from raising or asserting against the Selling Debtor, the New LLC or Purchaser any assignment fee, default, breach or

claim or pecuniary loss, or condition to assignment, arising under or related to the Assigned Contracts existing as of the Closing Date or arising by reason of the Closing.

**Other Provisions**

24. Effective upon the Closing Date and except as otherwise provided by stipulations filed with or announced to the Court with respect to a specific matter, all persons and entities are forever prohibited and permanently enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral or other proceeding against the New LLC, the Purchaser, its successors and assigns, the Acquired Assets or the Purchased Interests, with respect to any (a) Lien (other than a Permitted Lien) or interest arising under, out of, in connection with or in any way relating to the Debtors, the New LLC, the Purchaser, the Acquired Assets, the Purchased Interests, or the operation of the Acquired Assets prior to the Closing of the Sale, or (b) successor liability, including, without limitation, the following actions: (i) commencing or continuing in any manner any action or other proceeding against the New LLC, the Purchaser, their successors, assets or properties; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the New LLC, the Purchaser, their successors, assets or properties; (iii) creating, perfecting or enforcing any Lien or other encumbrance against the New LLC, the Purchaser, their successors, assets or properties; (iv) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the New LLC, the Purchaser or their successors; (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or other orders of the Court, or the agreements or actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing to renew any license, permit or authorization to operate any of the Acquired Assets or conduct any of the businesses operated with the Acquired Assets.

25. Except for the Permitted Liens and the Assumed Liabilities or as otherwise expressly provided for in this Order or the MIPA, neither the New LLC nor the Purchaser shall have any liability or other obligation of the Selling Debtor or Calpine arising under or related to any of the Acquired Assets or the Purchased Interests. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the MIPA, neither the New LLC nor the Purchaser shall be liable for any claims against the Selling Debtor, Calpine or any of their predecessors or affiliates, and neither the New LLC nor the Purchaser shall have any successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, with respect to the Selling Debtor and Calpine or any obligations of the Selling Debtor and Calpine arising prior to the Closing Date, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of any of the Acquired Assets prior to the Closing. The Purchaser has given substantial consideration under the MIPA for the benefit of the holders of Liens. The consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Purchaser or the New LLC, which releases shall be deemed to have been given in favor of the Purchaser and the New LLC by all holders of Liens against or interests in the Selling Debtor, Calpine, any of the Acquired Assets or the Purchased Interests.

26. The transactions contemplated by the MIPA are undertaken by the Purchaser without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided

herein to consummate the Transfers and the Sale shall not affect the validity of the Transfers or the Sale (including the assumption and assignment of the Assigned Contracts), unless such authorization and the Transfers and the Sale are duly stayed pending such appeal. The Purchaser is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

27. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (i) these chapter 11 cases, (ii) any subsequent chapter 7 case into which any such chapter 11 case may be converted, or (iii) any related proceeding subsequent to entry of this Order, shall conflict with, derogate from, or affect in any manner, the provisions of the MIPA or the terms of this Order.

28. Nothing in this Order or the MIPA approves or provides for the transfer to Purchaser of any avoidance claims (whether under chapter 5 of the Bankruptcy Code or otherwise) of the Debtors' estates.

29. The Debtors are authorized to pay to the State of Washington, Department of Revenue, on or before the Closing, the amount of \$373,680.00 (the "Tax Payment") in full and complete satisfaction of a disputed sales and use tax, for which the State of Washington, Department of Revenue has filed proofs of claim against the Selling Debtor, Claim Nos. 1229 and 1230. Upon payment of the Tax Payment to the State of Washington, Department of Revenue, Claim Nos. 1229 and 1230 against the Selling Debtor shall be disallowed in their entirety and expunged.

30. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.



31. There are no brokers involved in consummating the Sale and no brokers' commissions are due.

32. The failure specifically to include any particular provision of the TCA or the MIPA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the TCA and the MIPA be authorized and approved in their respective entireties.

33. The TCA and the MIPA and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates, and provided further that no such modification, amendments or supplement may be made except following two days prior written notice to, or the prior consent of, the Committee of Unsecured Creditors and the Unofficial Committee of Second Lien Debt Holders (provided that the Committee of Unsecured Creditors and the Unofficial Committee of Second Lien Debt Holders shall make a representative available on a real time basis in the event such modifications, amendments or supplement need to be made at the closing).

34. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order, the MIPA and the TCA, all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith to which the Selling Debtor and/or Calpine are a party or which has been assigned by the Selling Debtor or Calpine to the New LLC or the Purchaser, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale.

35. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

36. The requirement set forth in Local Rule 9013-1(b) that any motion or other request for relief be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Sale Motion or otherwise waived.

37. To the extent there are any inconsistencies between the terms of this Order and the MIPA and/or the TCA, the terms of this Order shall control.

38. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Sale Motion in these chapter 11 cases, the terms of this Order shall govern.

39. Notwithstanding anything else to the contrary in this Order, none of the Symantec or Oracle software listed on Schedule 1.1(l) of the MIPA will be an Acquired Asset or will be otherwise transferred by Calpine and/or any of its jointly administered Debtors to either the Selling Debtor or Purchaser under the MIPA unless and until the Purchaser gets written consent from Symantec and/or from Oracle, as applicable, for such transfer. In the event no such consent is obtained by the Closing, Calpine and the Selling Debtor shall provide written confirmation to Symantec and/or to Oracle, as applicable, that their respective software was not transferred as part of the Sale, or otherwise.

40. The Purchaser shall be required to comply fully with the terms of the Assigned Contracts to which Public Utility District No.1 of Klickitat County ("KPUD") is counterparty, including the requirement set forth in Paragraph 11.1 of the Transmission Agreement between KPUD and the Selling Debtor, as successor in interest to Calpine, dated as of December 5, 2003 (as amended) (the "Transmission Agreement"). In complying with Paragraph 11.1 of the Transmission Agreement, the Purchaser shall be required to ensure that it has obtained a letter of credit in accordance with Exhibit "B" of the Transmission Agreement at Closing.

DATE: New York, New York  
February 7, 2007

SO ORDERED:

/s/Burton R. Lifland  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A**

**Amendment to the MIPA**

## AMENDMENT TO MEMBERSHIP INTERESTS PURCHASE AGREEMENT

This Amendment (this "Amendment") is entered into as of February 5, 2007, by and between Goldendale Energy Center, LLC, a Delaware limited liability company ("Seller") and Puget Sound Energy, Inc., a Washington corporation ("Buyer").

WHEREAS, Seller and Buyer entered into a Membership Interests Purchase Agreement on November 3, 2006 (the "MIPA") related to the purchase and sale of Seller's Goldendale Energy Center to Buyer. Capitalized terms used herein but not defined shall have the meaning given such terms in the MIPA.

WHEREAS, on February 5, 2007, Seller conducted an Auction in accordance with the Bidding Procedures Order, and Buyer was the successful bidder at the Auction, subject to approval by the Bankruptcy Court.

WHEREAS, in connection with its winning bid, Buyer made certain representations about amendments to the MIPA.

WHEREAS, Seller and Buyer desire to amend the MIPA as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer, intending to be legally bound, hereby agree as follows:

1. The references to real property described under "Parcel 4" and "Parcel 6" on Schedule 1.1(a) of the MIPA shall be deleted in their entirety; it is understood and agreed that such real properties are neither owned nor leased by Seller and are not being conveyed to Buyer pursuant to the MIPA. In order to avoid confusion, the remaining parcels of real property described on Schedule 1.1(a) of the MIPA shall be renumbered so that the reference to "Parcel 5" is changed to "Parcel 4" and the reference to "Parcel 7" is changed to "Parcel 5". In addition, to avoid confusion with the prior deed which inadvertently included Parcel 4 and Parcel 6 therein, the language at the beginning of the disclosures set forth on Schedule 1.1(a) shall be deleted in its entirety and replaced by the following:

*"The following parcels encompass the real property comprising the Power Plant, vacant land surrounding the Power Plant and roads located at 600 Industrial Park Way, Goldendale, WA 98620:"*

2. The date of the Facilities Agreement by and between Seller and Northwest Pipeline Corporation listed on Schedule 1.1(e) of the MIPA shall be changed from February 15, 2001 to October 11, 2001.
3. The date of the Transmission Agreement by and between KPUD and Seller, as successor in interest to Calpine, listed on Schedules 1.1(e) and 4.7 of the MIPA shall be changed from December 8, 2003 to December 5, 2003.

4. Section 2.1 shall be deleted in its entirety and replaced with the following:

*"The aggregate consideration for the sale and transfer of the Purchased Interests shall be (a) One Hundred Twenty Million Dollars (\$120,000,000.00) in cash as adjusted pursuant to Section 2.3 below (the "**Purchase Price**"), which price is payable and deliverable at the Closing in accordance with Section 3.3 and (b) the assumption by Buyer of the Assumed Liabilities."*

5. The following Section 2.3 shall be added:

*"2.3 **Timing Adjustment.** If the Closing occurs on a day after February 22, 2007 (the "Tentative Closing Date") because of Buyer's failure to obtain Buyer's required consents as described on Schedule 5.4 or Buyer's failure to fulfill its closing conditions set forth in Section 12.2 below, then Buyer shall pay Seller (a) a sum equal to Twenty Thousand Dollars (\$20,000.00) multiplied by the number of days between the Tentative Closing Date and the actual Closing Date for the first thirty (30) days after the Tentative Closing Date, plus (b) a sum equal to Twenty-Five Thousand Dollars (\$25,000.00) multiplied by the number of days between the thirtieth (30<sup>th</sup>) day following the Tentative Closing Date and the Closing Date. By way of illustration, if the Closing Date was April 2, 2007, the adjustment pursuant to this Section 2.3 would be calculated as follows:*

<i>30 days (February 23<sup>rd</sup> through March 24<sup>th</sup>)</i>	<i>x \$20,000.00 =</i>	<i>\$600,000.00</i>
<i>9 days (March 25<sup>th</sup> through April 2<sup>nd</sup>)</i>	<i>x \$25,000.00 =</i>	<i>\$225,000.00</i>
	<i>Total</i>	<i>\$825,000.00</i>

*Any amounts calculated pursuant to this Section 2.3 shall be considered as an adjustment to, and part of, the Purchase Price."*

6. Section 13.2(a)(v) shall be deleted in its entirety and replaced with the following:

*"by Seller, on any date that is seventy-five (75) days after the Auction (the "**Seller's Termination Date**"), if any condition contained in Section 12.1 has not been satisfied or waived as of such time; provided, however, that Seller shall not have the right to terminate this Agreement under this Section 13.2(a)(v) if Seller's failure to fulfill any of its obligations under this Agreement is the reason that the Closing has not occurred on or before said date."*

7. Section 13.2(a)(viii) shall be deleted in its entirety and replaced with the following:

*"by Seller, if there shall be a breach by Buyer of any representation, warranty, covenant or agreement contained in this Agreement, which would result in a failure of a condition set forth in Sections 12.1 or 12.2 and which breach is not reasonably capable of being cured such that the applicable condition is not capable of being satisfied prior to the Seller's Termination Date;"*

8. Section 13.3(a) shall be deleted in its entirety and replaced with the following:


*“Seller may terminate this Agreement at any time after the Seller’s Termination Date and before Closing if any condition contained in Section 12.2(a) or Section 12.2(b) has not been satisfied or waived by Seller as of such time; provided, however, that Seller shall not have the right to terminate this Agreement under this Section 13.3 if Seller’s failure to fulfill any of its obligations under this Agreement has been the reason that the Closing has not been consummated on or before such date.”*

9. The defined term “Termination Date” in Section 13.2(a)(iv) shall be redefined as “Buyer’s Termination Date,” and all references in the MIPA, as amended by this Agreement, to “Termination Date” shall be “Buyer’s Termination Date.”
10. Schedule 11.5 shall be deleted in its entirety and replaced with the Amended and Restated Schedule 11.5 attached hereto.
11. Except as expressly provided herein, the MIPA shall not be amended or modified in any respect and shall remain in full force and effect in accordance with its terms.
12. This Amendment shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of New York (without giving effect to the principles of conflicts of Laws thereof), except to the extent that such Laws are superseded by the Bankruptcy Code.

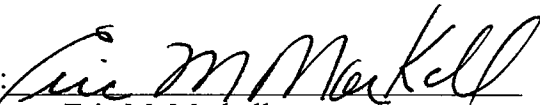
\* \* \* \* \*

IN WITNESS WHEREOF, Buyer and Seller have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

GOLDENDALE ENERGY CENTER, LLC

By:   
Name: Richard L. Thomas  
Its: Authorized Signatory

PUGET SOUND ENERGY, INC.

By:   
Name: Eric M. Markell  
Its: Senior Vice President, Energy Resources



**AMENDED AND RESTATED SCHEDULE 11.5**

**Real Property Allocation for REET**

Total Value of Assets Purchased	\$120,000,000		
Allocation:		Real	Personal
Land	\$850,000	\$850,000	
Structure	\$7,540,000	\$7,540,000	
PPE – real property	\$93,584,985	\$93,584,985	
PPE – personal property	\$18,025,015		\$18,025,015
	<u>\$120,000,000</u>	<u>\$101,974,985</u>	<u>\$18,025,015</u>

**EXHIBIT B**

**Assigned Contracts and Cure Amounts**

**AMENDED SCHEDULE OF**  
**ASSIGNED CONTRACTS AND CURE AMOUNTS**

	<b><u>DOCUMENT TITLE</u></b>	<b><u>DATED</u></b>	<b><u>DEBTOR PARTY</u></b>	<b><u>COUNTERPARTY</u></b>	<b><u>CURE AMOUNT(S)</u></b>
1.	Water and Wastewater Utility Services Agreement	December 3, 2001	Goldendale Energy Center, LLC	City of Goldendale	\$22,782.94
2.	Infrastructure Services Agreement	December 3, 2001	Goldendale Energy Center, LLC	City of Goldendale	\$0.00
3.	Letter Agreement	December 16, 2003	Goldendale Energy Center, LLC	City of Goldendale	\$0.00
4.	Generation Interconnection Agreement	April 17, 2001	Goldendale Energy Center, LLC	Public Utility District No. 1, Klickitat County, Washington	\$0.00
5.	Transmission Agreement	December 5, 2003	Goldendale Energy Center, LLC	Public Utility District No. 1, Klickitat County, Washington	\$0.00
6.	Station Service Power Purchase and Sale Agreement	March 28, 2005	Goldendale Energy Center, LLC	Public Utility District No. 1, Klickitat County, Washington	\$0.00 <sup>1</sup>
7.	Goldendale Energy Delivery Meter Signal Lease Agreement	September 23, 2005	Goldendale Energy Center, LLC	Northwest Pipeline Corporation	\$0.00
8.	Facilities Agreement	October 11, 2001	Goldendale Energy Center, LLC	Northwest Pipeline Corporation	\$0.00
9.	Transportation Agreement (Rate Schedule TF-1, Contract No. 127115)	October 11, 2001	Goldendale Energy Center, LLC	Northwest Pipeline Corporation	\$0.00
10.	Service Agreement for Point-To-Point Transmission Service (Service Agreement No.	December 8, 2003	Goldendale Energy Center, LLC	Bonneville Power Administration	\$0.00 <sup>2</sup>

<sup>1</sup> Although the Selling Debtor has an outstanding prepetition payable owing to Public Utility District No. 1, Klickitat County, Washington ("KPUD") in the amount of \$86,167.54, KPUD also has a deposit from the Selling Debtor in the amount of \$88,125.00. The Selling Debtor is current on its postpetition payables to KPUD, and intends to pay all outstanding postpetition amounts due and owing to KPUD through the Closing. Thus, the proposed cure amount reflects the application of the deposit against the outstanding prepetition amount.

	<u>DOCUMENT TITLE</u>	<u>DATED</u>	<u>DEBTOR PARTY</u>	<u>COUNTERPARTY</u>	<u>CURE AMOUNT(S)</u>
	03TX-11455)				
11.	Construction and Operation and Maintenance Agreement (Contract No. 01TX-10400)	December 9, 2001	Goldendale Energy Center, LLC	Bonneville Power Administration	\$0.00
12.	Control Area Services Agreement (Contract No. 01TX-10399)	December 9, 2001	Goldendale Energy Center, LLC	Bonneville Power Administration	\$0.00
13.	Equipment Lease (Model ARBC260)	March 10, 2005	Goldendale Energy Center, LLC	Key Equipment Finance	\$0.00
14.	Farm Lease	May 1, 2002	Calpine Corporation	Karl A. Enyeart	\$0.00

**Total: \$22,782.94**

<sup>2</sup> This cure amount represents the negotiated cure amount in accordance with the “Stipulation and Order Resolving Claims Between Calpine Corporation, Goldendale Energy Center, LLC and Bonneville Power Administration,” dated January 17, 2007, which the Selling Debtor is seeking bankruptcy court approval of concurrently with the approval of the sale of the Goldendale Facility.