

Amendment No. 1
Agreement For Flood Control And Replacement Power

This Amendment No. 1 to Agreement For Flood Control And Replacement Power ("Amendment") is made as of this 8th day of October, 2009, by and between the UNITED STATES OF AMERICA, DEPARTMENT OF THE ARMY, acting by and through the Division Engineer, Northwestern Division, U.S. Army Corps of Engineers ("Corps") and PUGET SOUND ENERGY, INC., a corporation organized and existing under the laws of the State of Washington ("Puget"). This Amendment is made with reference to the following facts:

RECITALS

A. Effective September 5, 2009, the Corps and Puget entered into an Agreement For Flood Control And Replacement Power For The Baker River Project ("Agreement").

B. The Parties now desire to amend the Agreement to correct an inadvertent typographical error in paragraph 2(a) of the Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of mutual benefits to be derived therefrom, the Corps and Puget agree as follows:

1. **Amendment.** Paragraph 2(a) of the Agreement is hereby amended and is herein fully restated in its entirety, as follows:

Puget shall operate the Upper Baker Development to provide (i) 16,000 acre feet of flood control storage space between October 15 and March 1 and (ii) an additional 58,000 acre feet of storage space between November 15 and March 1 of each operating year during the Term. Such flood control operations shall be at the direction of the Corps on terms and conditions to be mutually agreed upon by the Corps and Puget. It shall be the intent of this Agreement to comply with the flood control objectives specified in House Document No. 95-149, while minimizing spill at the Upper Baker Development to the extent that it is feasible.


2. **Savings.**

Except as otherwise specifically provided by this Amendment, the terms and conditions of the Agreement remain unchanged, and in all respects, the Agreement is and remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment in counterparts.

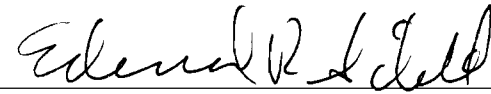
**UNITED STATES OF AMERICA,
DEPARTMENT OF THE ARMY**

PUGET SOUND ENERGY, INC.

By: 

Miroslav Kurka
Colonel, U.S. Army
Acting Division Commander
Northwestern Division
U.S. Army Corps of Engineers

Date: 8 OCT 09

By: 

Edward R. Schild
Director
Hydroelectric Resources
Puget Sound Energy, Inc

Date: 10/5/09