

**STATE OF CALIFORNIA**

**Energy Resources Conservation  
and Development Commission**

In the Matter of: )  
Application for Certification for the Walnut ) Docket No. 02-AFC-4C  
Energy Center )  
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**PETITION FOR OWNERSHIP CHANGE**

Pursuant to California Code of Regulations, Title 20, Section 1769(b), Turlock Irrigation District (the “District”) hereby submits this petition to transfer ownership of the Walnut Energy Center project (“Project”), Docket No. 02-AFC-4, to the Walnut Center Energy Authority (the “Authority”).

The District has formed with Merced Irrigation District a new public agency under the Joint Powers Act<sup>1</sup> known as the “Walnut Energy Center Authority”. The District regularly joins joint powers agencies to facilitate project financing. The formation of the Authority provides the District with significant business advantages that inure to the benefit of the District’s ratepayer owners, including, among other things, the ability to obtain project financing on more favorable terms and conditions. The Authority will own and finance the Project assets, including the

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<sup>1</sup>Government Code Section 6500 et seq.

combustion turbine generating plant and associated fixtures, facilities, and certain personal property. The District exercises effective control over all aspects of the Project by virtue of its interest in and control over the Authority and its activities, both under the Authority's enabling documents and pursuant to the various contracts and agreements between the Authority and the District with respect to the Project.

Despite the change of ownership, there will be no changes in operational control of the Project. The District will continue to be the operator of the Project. Specifically, through its contractual obligations with the Authority, the District will design, engineer, construct, and operate the Project. The District is also responsible for all aspects of operation, such as procuring natural gas for the project and for making one hundred percent of the contributions or financial advances necessary for the project. The District also has retained title to the underlying real property, the 69-acre parcel, which the Authority will lease from the District for the Project. The District has already affirmatively represented during the final project approval process that it understands the conditions of certification and agrees to comply with them.

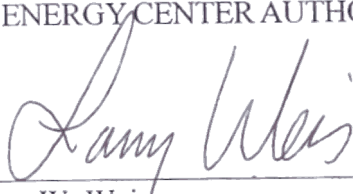
Finally, the name of the Project, the "Walnut Energy Center," will not change.

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The Authority understands the conditions of certification and agrees to comply with those conditions. As an officer of the Walnut Energy Center Authority, I hereby attest, under penalty of perjury, under the laws of the State of California, that the contents of this Petition are truthful and accurate to the best of my knowledge and belief.

WALNUT ENERGY CENTER AUTHORITY

Dated: 8/2/07

By:   
Larry W. Weis

Title: General Manager