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STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	)	**Docket No. 01-AFC-19**
	)	
Application for Certification of the Sacramento Municipal Utility District's Cosumnes Power Plant Project	)	**SMUD'S POST CERTIFICATION CHANGE IN OWNERSHIP PETITION FOR THE COSUMNES POWER PLANT PROJECT**

The Sacramento Municipal Utility District ("SMUD" or "the District") hereby submits this Post Certification Change in Ownership Petition ("Petition") for the Cosumnes Power Plant ("CPP") project ("Project") pursuant to Section 1769(b), Title 20, California Code of Regulations, to the California Energy Commission ("CEC"). By this Petition, the District requests approval to transfer ownership of the Project's generating facility to the Sacramento Municipal Utility District Financing Authority ("SFA"), a joint powers authority ("JPA") under California law. SFA will operate and maintain the Project's generating facility in a similar manner to the Central Valley Financing Authority's ("CVFA's") operation of the Carson Ice-Gen Project, Sacramento Power Authority's ("SPA's") operation of the Campbell Soup Cogeneration Project and the Sacramento Cogeneration Authority's ("SCA's") operation of the Procter & Gamble Cogeneration Project. In all such cases, SMUD personnel staff the applicable JPA, and the JPA hires a professional operator to operate and maintain the power plant, while SMUD remains the owner and operator of the Project's real property, electric transmission lines, water pipeline and gas pipeline system.

INTRODUCTION

The CPP Project is a nominal 500 megawatt ("MW") natural gas-fired, combined-cycle electric generating facility currently under construction approximately 25 miles southeast of the City of Sacramento, in Sacramento County. The District plans to construct a second, 500-MW phase in the future. Both phases of the Project will be located on approximately 30-acres of an overall 2,480-acre site owned by the District. This Petition affects only the first phase of the CPP Project.

Phase 1 of the Project was certified on September 9, 2003, and the District commenced construction in October 2003. Phase 1 is scheduled to commence testing later this year and be fully operational by spring 2006.

PROPOSED OWNERSHIP CHANGE

In 1992, the District partnered with the Modesto Irrigation District ("MID") to form a public agency under the Joint Powers Act,[1] known as the "Sacramento Municipal Utility District Financing Authority" ("SFA"). Around the same period, the District also formed CVFA, SCA and SPA to finance, build and operate the three existing cogeneration plants in Sacramento, as noted above.

Unlike the three cogeneration facilities, the District decided to design, license and construct the CPP Project before refinancing the project through a JPA. The District now plans to issue bonds through SFA in November 2005 and to transfer ownership of the Project's assets to SFA, including the generating facility and associated fixtures, facilities, and certain personal property, but excluding the real property, electric transmission line, water pipeline and the gas pipeline system. This bond financing will provide 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 District Board of Directors and management exercises effective control over all aspects of the Project by virtue of its interest in and control over SFA and its activities, both under SFA's enabling documents and pursuant to the various contracts and agreements between SFA and the District with respect to the Project, as well as the Indentures of Trust and other bond financing agreements.

The change in ownership will simply mean that the start-up, operation and maintenance of the Project will be handled in the same manner as the District's three cogeneration plants licensed by the CEC. The District will remain responsible for procuring water, electric transmission and natural gas for the project, as well as for dispatching and purchasing all of the capacity and energy from the Project. The District also has retained title to the underlying real property, the 30-acre parcel, which SFA 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 "Cosumnes Power Plant," will not change.

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[1] Cal. Gov't Code §§ 6500, et seq.

AUTHORITY AND VERIFICATION

SFA understands the conditions of certification and agrees to comply with those conditions. As an officer of the SFA, 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.

SACRAMENTO MUNICIPAL UTILITY DISTRICT
FINANCING AUTHORITY

Dated: 8/29/05

JAN SCHORI, General Manager
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Respectfully submitted,

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Dated: 8/29/05

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