STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of: **Blythe Energy Inc.** **Blythe Energy Project**	**Docket No. 99-AFC-8C** **BLYTHE ENERGY INC.'S PETITION TO CHANGE OPERATIONAL CONTROL OF THE BLYTHE ENERGY PROJECT**

BLYTHE ENERGY INC.'S PETITION TO CHANGE OPERATIONAL CONTROL OF THE BLYTHE ENERGY PROJECT

June 7, 2013

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STATE OF CALIFORNIA
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Blythe Energy Inc. (Formerly Blythe Energy, LLC) Blythe Energy Project	BLYTHE ENERGY INC.'S PETITION TO CHANGE OPERATIONAL CONTROL OF THE BLYTHE ENERGY PROJECT

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I. INTRODUCTION

Pursuant to California Code of Regulations, Title 20, section 1769(b), Blythe Energy Inc. submits this petition to change operational control of the Blythe Energy Project (the "Project"), a combined cycle natural gas-fired power plant located in eastern Riverside County near the city of Blythe, California. This proposed change in operational control proposes no changes to any conditions of certification nor will such a change affect the analyses set forth in the California Energy Commission's Final Decision and subsequent decisions on amendments thereto.

II. BACKGROUND

On May 16, 2013, AltaGas Power Holdings (U.S.) Inc., a Delaware corporation ("APHUS"), acquired 100 percent of the upstream equity ownership interests in the Project, including in the direct owner of the Project, Blythe Energy, LLC, a Delaware limited liability company. APHUS is indirectly owned by AltaGas Ltd., a Canadian corporation and a diverse energy infrastructure company with natural gas, electric power, and natural gas utility assets

located in Canada and the United States. Promptly following the closing of the acquisition, Blythe Energy, LLC was converted into a Delaware corporation pursuant to Delaware law. Under Delaware law, for all purposes, the converted entity (Blythe Energy Inc.) is deemed to be the same entity as the converting limited liability company (Blythe Energy, LLC) and the conversion constitutes a continuation of the existence of the limited liability company in the form of such other entity or business form. (*See* Del. Code Ann. tit. 6, ch. 18, §216(c).) Similarly, California statute provides that an entity that converts into another entity pursuant to the California corporate conversion statute is for all purposes the same entity that existed before the conversion. (*See* Cal. Corp. Code tit. 1, ch. 11.5, § 1158(a).) Thus, the Project's direct owner is now Blythe Energy Inc.[1]

Because both California and Delaware law deems a converted entity to be the same as the entity being converted, we believe that the conversion of Blythe Energy, LLC to Blythe Energy Inc. does not require a Petition to Change Ownership with the California Energy Commission pursuant to Title 20, California Code of Regulations, section 1769(b). However, because Title 20, California Code of Regulations, section 1769(b) does not expressly address the requirements in the event of a conversion of entity type of a direct project owner, if the Commission deems such entity conversion as a transaction that requires the project owner to file a Petition to Change Ownership pursuant to section 1769(b), we ask that the Commission treat this petition as a Petition to Change Ownership in addition to a Petition for Change in Operational Control.

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[1] In compliance with Title 20, California Code of Regulations sections 1707 and 1769(b) and on behalf of Blythe Energy Inc., please see attached hereto as Exhibit A the Affidavit of Christopher J. Doyle in Support of Petition for Change in Operational Control, wherein such officer verifies that Blythe Energy Inc. is the party responsible for compliance with the conditions of certification set forth in the Project's Final Decision issued by the Commission on March 21, 2001 and subsequent amendments thereto. In short, Blythe Energy Inc. understands the conditions of certification and agrees to comply with those conditions.

III. CHANGE IN OPERATIONAL CONTROL

In connection with the APHUS' acquisition of Blythe Energy, Inc., Blythe Energy Inc. will enter into a new Operations and Maintenance ("O&M") agreement with AltaGas Blythe Operations Inc., a Delaware corporation. To that end, and pursuant to California Code of Regulations, Title 20, section 1769(b), Blythe Energy Inc. submits this petition to change operational control of the Project. This proposed change in operational control proposes no changes to any conditions of certification.

Currently, NextEra Energy Operating Services, LLC ("NextEra") is contracted to provide a number of O&M services under an existing O&M agreement with Blythe Energy, LLC. Under this existing O&M agreement, NextEra provides services for the Project together with all auxiliary equipment, ancillary and associated facilities and equipment, interconnection and metering facilities, including, among others, coordinating operations and maintenance activities, major maintenance of the facilities, procuring, supplying and replacing parts and other equipment, and scheduling all outages and maintenance shutdowns. The existing O&M agreement has been in place since November 22, 2011. However, upon closing of APHUS's acquisition of Blythe Energy, LLC on May 16, 2013, Blythe Energy Inc. provided NextEra with a 60-day notice of cancellation of the O&M agreement.

The new O&M agreement between Blythe Energy Inc. and AltaGas Blythe Operations Inc. will require AltaGas Blythe Operations Inc. to provide all the same services as those provided by NextEra, including, but not limited to, services of all auxiliary equipment, ancillary and associated facilities and equipment, electrical transformers, pipeline, interconnection and metering facilities, oversight, management, operational activities and functions on a day-to-day basis, the planning and oversight of certain scheduled annual maintenance activities, compliance

reporting, and execution of certain routine preventative and corrective maintenance. The effective date of the O&M agreement by and between Blythe Energy Inc. and AltaGas Blythe Operations Inc. is expected to be not later than July 15, 2013.[2] As is required by section 1769(b), attached hereto as Exhibit B is the Affidavit of Christopher J. Doyle in Support of Change in Ownership Control attesting that, as the operator of the Project under the new O&M agreement described above, AltaGas Blythe Operations Inc. understands the conditions of certification applicable to the Project and agrees to comply with those conditions of certification as of the effective date of the new O&M agreement.

IV. CONCLUSION

Blythe Energy Inc., the owner of the Project, respectfully requests that the Commission approve this Petition on or before the July 10, 2013 Business Meeting as the effective date of the new O&M agreement by and between Blythe Energy Inc. and AltaGas Blythe Operations Inc. is expected to be July 15, 2013.

Dated: June 7, 2013

By:_____
Melissa A. Foster
STOEL RIVES LLP
Attorneys for Blythe Energy Inc.

[2] Following the effective date of the new O&M agreement, Blythe Energy Inc. and NextEra will not be affiliated.

EXHIBIT A

AFFIDAVIT OF CHRISTOPHER J. DOYLE, VICE PRESIDENT,
BLYTHE ENERGY INC.

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:	**Docket No. 99-AFC-8C**
BLYTHE ENERGY INC. **BLYTHE ENERGY PROJECT**	**AFFIDAVIT OF CHRISTOPHER J. DOYLE IN SUPPORT OF PETITION FOR CHANGE IN OPERATIONAL CONTROL**[1]

I, Christopher J. Doyle, herein attest that:

1. I am the Vice President of Blythe Energy Inc., a wholly owned subsidiary of AltaGas Power Holdings (U.S.) Inc. ("APHUS"). I have personal knowledge of the matters set forth herein and could competently testify thereto if called as a witness for this matter.
2. On or about May 16, 2013, APHUS acquired 100 percent of the upstream equity ownership interests of the Blythe Energy Project (the "Project"), including the direct owner of the Project, Blythe Energy, LLC.
3. Immediately after the acquisition, Blythe Energy LLC was converted into a Delaware corporation pursuant to Delaware law. Thus, the Project's direct owner is now Blythe Energy Inc.

[1] Because Title 20, California Code of Regulations section 1769(b) does not expressly address the requirements in the event of a conversion of entity type of a direct project owner, if the California Energy Commission deems such entity conversion to be a transaction that requires the project owner to file a Petition to Change Ownership pursuant to Title 20, California Code of Regulations section 1769(b), the information set forth in the Petition to Change Operational Control filed herewith satisfies all regulatory requirements for such a Petition.

4. As set forth in the Petition to Change Operational Control submitted simultaneously herewith, Blythe Energy Inc. seeks no changes to conditions of certification or to the Project or its related facilities. Rather, the Notice is meant solely to inform the Commission of the change in the type of the owning entity (from a limited liability company to a corporation) of the Project.
5. Blythe Energy Inc. agrees to comply with all conditions of certification as set forth in the Commission's Final Decision and any subsequent approvals of amendments related thereto, as well as all laws, ordinances, regulations or standards applicable to the Project.

This affidavit is made under penalty of perjury under the laws of the State of California as to the truth and accuracy of the Notice submitted herewith and is executed at Vancouver, British Columbia on June 6, 2013.

Christopher J. Doyle
BLYTHE ENERGY INC.

EXHIBIT B

AFFIDAVIT OF CHRISTOPHER J. DOYLE, VICE PRESIDENT,
ALTAGAS BLYTHE OPERATIONS INC.

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of: **BLYTHE ENERGY INC.** **BLYTHE ENERGY PROJECT**	**Docket No. 99-AFC-8C** **AFFIDAVIT OF CHRISTOPHER J. DOYLE IN SUPPORT OF CHANGE IN OPERATIONAL CONTROL**

I, Christopher J. Doyle, herein attest that:

1. I am the Vice President of AltaGas Blythe Operations Inc. I have personal knowledge of the matters set forth herein and could competently testify thereto if called as a witness for this matter.
2. It is my understanding that Blythe Energy Inc., a wholly owned subsidiary of AltaGas Power Holdings (U.S.) Inc. acquired 100 percent of the upstream equity ownership interests of the Blythe Energy Project (the "Project"), including the direct ownership of the Project.
3. In connection with this acquisition, Blythe Energy Inc., intends to enter into a new operations and maintenance agreement ("O&M") dated, July 15, 2013, between AltaGas Blythe Operations Inc. and Blythe Energy Inc.
4. According to the O&M agreement, AltaGas Blythe Operations Inc. will provide a number of O&M services for the Blythe Energy Project (the "Project") as such services

pertain to all auxiliary equipment, ancillary and associated facilities and equipment, interconnection and metering facilities, including among others, coordinating operations and maintenance activities, major maintenance of the facilities, procuring, supplying and replacing parts and other equipment, and scheduling all outages and maintenance shutdowns.

5. As set forth in the Petition to Change Operational Control submitted simultaneously herewith, AltaGas Blythe Operations Inc. agrees to comply with all conditions of certification as set forth in the Commission's Final Decision and any subsequent approvals of amendments related thereto, as well as all laws, ordinances, regulations or standards applicable to the Project.

This affidavit is made under penalty of perjury under the laws of the State of California as to the truth and accuracy of the Notice submitted herewith and is executed at Vancouver, British Columbia on June 6, 2013.

Christopher J. Doyle
AltaGas Blythe Operations Inc.