AGREEMENT ON REASSIGNMENT
OF
FIRM TRANSPORTATION SERVICE AGREEMENT

This Agreement on Reassignment of Transportation Service Agreement (the "Agreement") is entered into as of this 1st day of September, 2003, by and between **Sunrise Power Company, LLC**, a Delaware limited liability company ("Sunrise"), and the **California Department of Water Resources** ("CDWR"), a department of the State of California. Collectively, CDWR and Sunrise may be referred to hereinafter as the "Parties."

WITNESSES

WHEREAS, Sunrise and CDWR entered into that certain Amended and Restated Master Power Purchase and Sale Agreement (the "Master Agreement"), dated December 31,2002 and that certain Amended and Restated Confirmation Agreement Dated December 31, 2002 (the "Confirmation"). Collectively, the Master Agreement and the Confirmation shall be referred to herein after as the "Power Contract"; and

WHEREAS the terms of the Power Contract contemplated that CDWR would have the right to use firm transportation rights on the Kern River Gas Transmission Company's ("Kern River") pipeline, previously contracted for by an affiliate of Sunrise, for the term of the Power Contract; and

WHEREAS, the aforementioned affiliate of Sunrise, Edison Mission Energy ("EME") and Kern River entered into that certain Firm Transportation Service Agreement for 85,000 Dth per day, Contract No. 1708, dated May 29, 2001 ("First TSA"); and

WHEREAS, EME, Sunrise and Kern River entered into that certain Assignment and Consent to Assignment, dated April 24, 2003, wherein EME assigned all of its rights, interests and obligations in the First TSA to Sunrise, which new TSA is thereafter referred to as Contract No. 1719 ("Second TSA"); and

WHEREAS, coincident with the execution of the Agreement, Sunrise, CDWR and Kern River will enter into that certain Assignment and Consent to Assignment wherein Sunrise will assign all of its rights, interests and obligations in the Second TSA to CDWR, which new TSA is thereafter referred to as Contract No. 1724 ("Third TSA"). An unexecuted copy of the final version of the Third TSA is attached hereto as Exhibit "A." Collectively, the Assignment and Consent to Assignment and Third TSA may be referred to hereinafter as the "Related Agreements"; and

WHEREAS, the term of the Third TSA is longer than the term of the Power Contract and it is the intent of the Parties that CDWR's rights to firm transportation under the Third TSA extend only to the term of the Power Contract.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth herein, the Parties agree as follows:

1. CDWR hereby agrees and covenants to Sunrise that CDWR, at its sole cost and expense, shall use its best efforts to promptly reassign the Third TSA to Sunrise at the end of the term of the Power Contract; recognizing that under the terms of the Third TSA, Kern River must consent to such an assignment. CDWR also agrees and covenants to Sunrise that, unless mutually agreed to in writing by the Parties, at the time of said reassignment, the Third TSA shall contain the identical receipt and delivery points and contract capacities which were originally set forth in the Second TSA as assigned by Sunrise to CDWR.

2. In the event that, at the end of the term of the Power Contract, Sunrise does not meet Kern River's creditworthiness standards or cannot supply adequate security assurances to Kern River or, if Kern River rightfully withholds its consent for any other reason, CDWR hereby agrees and covenants to Sunrise that CDWR shall use its best efforts to promptly assign the Third TSA to any affiliate of or successor entity to Sunrise that would be acceptable to Kern River.

3. The Parties acknowledge that CDWR's obligation to assign the Third TSA under this Agreement is tied to the term of the Power Contract. Thus, if the original term of the Power Contract is either extended or shortened by mutual written consent of the Parties, CDWR's obligation to assign the Third TSA would not commence until the end of the new term of the Power Contract.

4. This Agreement may be executed in multiple counterparts, all of which (including copies thereof) shall constitute one and the same instrument, and each of which (including copies thereof) shall be, and shall be deemed, an original.

5. Choice of Law. This Agreement shall be governed by California law, without regard to its conflict of law principles.

6. Amendments. This Agreement may be amended or modified only by an instrument in writing duly executed by the Parties.

7. Representations. As of the date of this Agreement, (a) CDWR represents and warrants that it has full legal authority and capacity to enter into this Agreement, consummate the transactions contemplated hereby, and perform according to its terms and conditions; and (b) Sunrise represents and warrants that it has full legal authority and capacity to enter into this Agreement, consummate the transactions contemplated hereby, and perform according to its terms and conditions.

8. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of Sunrise and CDWR.

9. Government Code and Public Contracts Code. Sunrise has stated that, because of the administrative burden and delays associated with such requirements, it would not enter into this Agreement or the Related Agreements if the provisions of the Government Code of California and the Public Contracts Code of California applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements and prompt payment requirements would apply to or be required to be incorporated in this Agreement or the Related Agreements. Accordingly, pursuant to Section 80014(b) of the Water Code, CDWR has determined that it would be detrimental to accomplishing the purposes of Division 27 (commencing with Section 80000) of the Water Code to make such provisions applicable to this Agreement or the Related Agreements and that such provisions and requirements are therefore not applicable to or incorporated in this Agreement or the Related Agreements.

10. California Department of Water Resources. It is understood by the Parties that CDWR means the California Department of Water Resources, acting solely under the authority and powers created by AB1-X, codified as Sections 80000 through 80270 of the Water Code of California, as amended, and not under its powers and responsibilities with respect to the State Water Resources Development System.

11. Notices and correspondence. Notices and other correspondence to be provided to Sunrise and CDWR are to be sent to the addresses set forth below.

IF TO SUNRISE:

SUNRISE POWER COMPANY, LLC

Attention: Executive Director

Address: P.O. Box 81617

Bakersfield, CA 93380

Fax No.: (661) 392-2990

IF TO CDWR

CALIFORNIA DEPARTMENT OF WATER RESOURCES

Attention: Fuels Manager

Address: 3310 El Camino Ave., Suite 120

Sacramento CA 95821

Fax No.: (916) 574-0301

12. Entire Agreement. This Agreement constitutes the entire agreement by and between Sunrise and CDWR and supersedes any prior understandings and agreements, written or oral, by and between Sunrise and CDWR to the extent they relate to the assignment of the Third TSA to CDWR.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above.

SUNRISE POWER COMPANY, LLC

By: Kelly Lucas

Name: KELLY LUCAS

Title: EXECUTIVE DIRECTOR

CALIFORNIA DEPARTMENT OF WATER RESOURCES gh

By: Viju Patel

Name: VIJU PATEL

Title: Executive Manager

EXHIBIT A

TRANSPORTATION SERVICE AGREEMENT

Contract No. 1724

CALIFORNIA DEPARTMENT OF WATER RESOURCES
FIRM TRANSPORTATION SERVICE AGREEMENT
CONTRACT NO. 1724

THIS AGREEMENT is made and entered into this 28th day of ~~September,~~ August 2003, by and between **KERN RIVER GAS TRANSMISSION COMPANY**, a Texas general partnership ("Transporter") and **CALIFORNIA DEPARTMENT OF WATER RESOURCES**, a department of the State of California ("Shipper"), successor-in-interest by assignment from **SUNRISE POWER COMPANY, LLC** ("Sunrise").

WHEREAS, Shipper represents that it is acting solely under the authority and powers created by ABI-X, codified as Sections 80000 through 80270 of the Water Code of California, as amended, and not under its powers and responsibilities with respect to the State Water Resources Development System.

WHEREAS, Transporter and Edison Mission Energy ("EME") entered into Firm Transportation Service Agreement, Contract No. 1708, dated May 29, 2001, for 85,000 Dth per day ("Contract No. 1708"); and

WHEREAS, EME, Sunrise, and Transporter entered into that Assignment and Consent to Assignment of Firm Transportation Service Agreement dated April 24, 2003, whereby EME assigned all of its rights and interests in and to Contract No. 1708 and Kern River consented to such assignment ("EME Assignment"); and

WHEREAS, pursuant to the EME Assignment, Contract No. 1719 was created, which replaced and superceded Contract No. 1708; and

WHEREAS, Sunrise, Shipper and Transporter entered into that Assignment and Consent to Assignment of Firm Transportation Service Agreement dated ~~September 28~~ August 2003, whereby Sunrise assigned all of its rights and interests in and to Contract No. 1719 and Kern River consented to such assignment ("Assignment and Consent"); and

WHEREAS, pursuant to the Assignment and Consent, this Agreement represents the assignment of Contract No. 1719 as Contract No. 1724 and this Agreement replaces and supercedes Contract No. 1719; and

WHEREAS, Shipper has acquired or intends to acquire a supply of Natural Gas which can be delivered at receipt points on Transporter's pipeline system and redelivered by Transporter to Shipper or for Shipper's account at Delivery Points on Transporter's pipeline system; and

WHEREAS, Shipper desires transportation service from Transporter in accordance with Transporter's Rate Schedule KRF-1, on file with the FERC, as amended from time to time; and

WHEREAS, Transporter is willing to render such Transportation service.

ORIGINAL

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

ARTICLE I – GAS TO BE TRANSPORTED

1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive, on a firm basis, from Shipper for Transportation at the Primary Receipt Point(s) specified in Exhibit "A" hereto, as amended from time to time, and to transport and deliver Thermally Equivalent Quantities to Shipper at the Primary Delivery Point(s) specified in Exhibit "A" hereto, as amended from time to time, Quantities of Natural Gas, exclusive of Quantities required for fuel used and lost and unaccounted-for Gas, up to Shipper's TMDQ, which is **85,000** Dth per day. Shipper's DMDQ is equal to Shipper's TMDQ.

1.2 Shipper shall reimburse Transporter for fuel used and lost and unaccounted-for Gas on an in-kind basis at the factors applicable to incrementally-priced, long-term firm Transportation, pursuant to the General Terms and Conditions of Transporter's Tariff as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time.

ARTICLE II - APPLICABLE RATE SCHEDULE

2.1 Shipper agrees to pay Transporter for all Natural Gas Transportation service rendered under the terms of this Agreement in accordance with Transporter's Rate Schedule KRF-1, as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time. This Agreement shall be subject to the provisions of such Rate Schedule and the General Transportation Terms and Conditions applicable thereto on file with the FERC and as amended from time to time, which by this reference are incorporated herein and made a part hereof.

2.2 Shipper's rates for Transportation service shall be in accordance with Transporter's effective Rate Schedule KRF-1 for incrementally-priced, 15-year term, firm Transportation subject to the parties' understanding and agreement that Transporter may change the rates from time to time in accordance with the Natural Gas Act.

2.2 Notwithstanding Section 5.5 of the General Terms and Conditions in Transporter's FERC Gas Tariff, and subject to any negotiated credit, Shipper shall make payment of the Monthly Reservation Charge pursuant hereto in full irrespective of (but without prejudice to the rights otherwise of Shipper with respect to) any dispute relative to the amount invoiced, and shall not be entitled to any abatement of such payment or any set-off against it, including but not limited to, abatement or set-off due or alleged to be due by reason of any past, present or future claims or other rights of Shipper against Transporter

ORIGINAL

or any other person or entity, whether in connection herewith or any unrelated transaction.

ARTICLE III - TERM OF AGREEMENT

3.1 This Agreement shall remain in full force and effect for a term of 15 years from the service commencement date, which shall be defined as May 1, 2003.

ARTICLE IV - NOTICES

Any notice called for in this Agreement shall be given in writing and shall be considered as having been given if delivered personally, by confirmed facsimile or by mail with all postage and charges prepaid to either Shipper or Transporter at the place designated below. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone, electronic media or confirmed facsimile. Unless changed, the addresses of the parties are as follows:

Transporter: Kern River Gas Transmission Company
Attention: Marketing Services Department
295 Chipeta Way
P.O. Box 58900
Salt Lake City, Utah 84158-0900
Fax No.: (801) 584-6444

Shipper: California Department of Water Resources
P. O. Box 219001
3310 El Camino Ave.
Sacramento, CA 95821
Fax No.: (916) 574-0301
Attention: Fuel Manager

ARTICLE V - SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder shall be made without the written consent of the other party. Such consent shall not be unreasonably withheld. No such consent of Transporter or Shipper shall be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment shall become effective on the first day of the Month following written notice that such assignment has been effectuated. Upon request of either party, the other party shall

ORIGINAL

acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce this Agreement against such other party, and shall also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment shall relieve the assigning party from any of its obligations under this Agreement that arose out of circumstances occurring prior to such Assignment. Shipper hereby confirms that the rights of Transporter under the Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.

ARTICLE VI - GOVERNMENTAL BODIES

Notwithstanding any other provision hereof, this Agreement shall be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.

ARTICLE VII - MISCELLANEOUS PROVISIONS

7.1 This Agreement shall be amended only by an instrument in writing executed by both parties hereto.

7.2 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

7.3 No liability for any act or omission of Transporter shall be incurred by, or asserted against any person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter shall be against Transporter only.

7.4 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.

7.5 This Agreement shall be construed in accordance with the laws of the State of Utah.

7.6 This Agreement supercedes and replaces Contract No. 1719.

ORIGINAL

IN WITNESS WHEREOF, the parties hereto have executed this Firm Transportation Service Agreement as of the day and year first set forth above.

CALIFORNIA DEPARTMENT OF WATER RESOURCES (Shipper)

By: Viju Patel

Name: VIJU PATEL

Title: Executive Manager

KERN RIVER GAS TRANSMISSION COMPANY (Transporter)

By: _____

Name: _____

Title: _____

ORIGINAL

EXHIBIT "A"

TO FIRM TRANSPORTATION SERVICE AGREEMENT
CONTRACT NO. 1724

BETWEEN

CALIFORNIA DEPARTMENT OF WATER RESOURCES
AND
KERN RIVER GAS TRANSMISSION COMPANY

EFFECTIVE SEPTEMBER 1st, 2003

SHIPPER'S TMDQ: 85,000 Dth/d

PRIMARY RECEIPT POINT(S)	METER NUMBER	MAXIMUM RECEIPT POINT QUANTITY (Dth)	MINIMUM RECEIPT POINT PRESSURE (Psig)
Opal Plant	014001	85,000	712

PRIMARY DELIVERY POINT(S)	METER NUMBER	MAXIMUM DELIVERY POINT QUANTITY (Dth)	MAXIMUM DELIVERY POINT PRESSURE (Psig)
Sunrise	025031	85,000	450

ORIGINAL

In accordance with Section 1.1, this amount is exclusive of Quantities required for fuel used and lost and unaccounted for Gas.