

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA¹**

Rulemaking to implement the provisions of
Public Utilities Code § 761.3 enacted by Chapter
19 of the 2001-02 Second Extraordinary
Legislative Session.

Rulemaking 02-11-039

**INITIAL COMMENTS OF ELK HILLS POWER, LLC
ON ADMINISTRATIVE LAW JUDGE'S RULING SETTING ASIDE
SUBMISSION FOR COMMENT PERIOD FOLLOWED BY RESUBMISSION**

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On behalf of Elk Hills Power, LLC

May 23, 2005

**BEFORE THE PUBLIC UTILITIES COMMISSION
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I. INTRODUCTION

Elk Hills Power, LLC ("Elk Hills") submits the following initial comments regarding the "Administrative Law Judge's Ruling Setting Aside Submission for Comment Period Followed by Resubmission" ("Logbook Ruling").¹

Description of Elk Hills

Elk Hills owns a combined-cycle electric generation facility near Bakersfield, California consisting of two gas-fired combustion turbine generators and a steam turbine generator with a total nominal power output of approximately 550 MW. Elk Hills has been determined by the Federal Energy Regulatory Commission ("FERC") to be an EWG

¹ In voluntarily filing these Comments and further participating in this proceeding, Elk Hills expressly reserves its right to challenge fully, in an appropriate forum, the relevant portions of Senate Bill 39XX ("SBX2 39") and the authority conferred on the Commission therein, as well as any requirement the Commission may attempt to impose on Elk Hills pursuant to such authority. Nothing in this filing constitutes a waiver of such rights or any of the arguments that have been raised in a variety of pleadings filed with the Commission in this proceeding relating to jurisdiction over exempt wholesale generators ("EWGs").

pursuant to Section 32(a)(1) of the Public Utility Holding Company Act of 1935 as amended by the Energy Policy Act of 1992.²

Logbook Ruling

On May 12, 2005, the presiding Administrative Law Judge in this proceeding issued the Logbook Ruling, requesting comments regarding the “Report on Behalf of Certain Generation Owners in California, Regarding the CPUC Common Format for Thermal Power Plant Logbooks” (“Logbook Report”) filed by the Western Power Trading Forum (“WPTF”) on May 5, 2005, and on the question of whether or not to modify Ordering Paragraph 4 of Decision 04-05-017 to remove the requirement that respondents file an application, but to require service of a report.

II. COMMENTS

Elk Hills generally agrees with the findings and conclusions presented in the WPTF Logbook Report. The Logbook Report details a variety of different logbook systems and methods currently being used to comply with the Commission’s Logbook Standards, and describes how there would be little to be gained from requiring the Generating Asset Owners (“GAOs”) to standardize their own logging systems. The Logbook Report also discusses how it would be infeasible for the Commission to have remote electronic access to existing logbook systems maintained by the GAOs or to establish its own database where GAOs would submit periodic information updates. Finally, the Logbook Report explains how the extensive logging systems currently in use by the GAOs can provide the needed information for the Commission’s market monitoring and regulatory efforts.

² *Elk Hills Power, LLC*, Docket No. EG03-31-000 (Letter Order dated January 29, 2003).

Given these findings and conclusions as presented in the WPTF's Logbook Report, Elk Hills agrees that it would be appropriate for the Commission to modify Ordering Paragraph 4 of Decision 04-05-017 to remove the requirement that respondents file an application, but to require service of a report (which requirement, as noted by the Logbook Ruling, is satisfied by the May 5 submittal of the WPTF's Logbook Report).

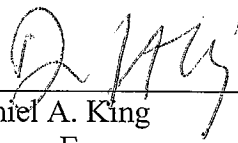
III. CONCLUSION

Given the findings presented by the WPTF Logbook Report regarding the current logbook practices of the GAOs, and the impracticalities associated with imposing a single standardized logbook database, it is appropriate for the Commission to modify Ordering Paragraph 4 of Decision 04-05-017 to remove the requirement that respondents file an application, and instead to require service of a report.

Elk Hills appreciates the opportunity to participate in this rulemaking and looks forward to working with the Commission to address and resolve the issues raised by this proceeding.

Respectfully submitted this 23rd day of May 2005.

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On behalf of Elk Hills Power, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the **INITIAL COMMENTS OF ELK HILLS POWER, LLC ON ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE RULING** has been transmitted to each party of record on the service list in R.02-11-039 by electronic mail. I have also sent hard copies by Federal Express to the assigned Administrative Law Judges and Commissioner.

Executed this 23rd day of May, 2005 at San Diego, California.



Adrian Elizabeth Sullivan