



March 25, 2005

Mr. Mark Ziering  
Consumer Protection and Safety Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298  
Attn: Electric Generation Performance Branch

**Re: Comments on March 11, 2005 Draft Operation Plan Summary**

Dear Mr. Ziering:

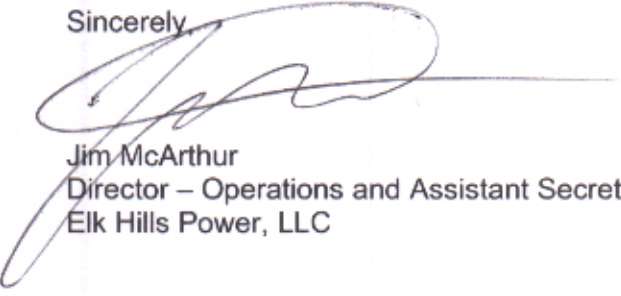
Elk Hills Power, LLC (Elk Hills) submits the following comments in response to the Consumer Protection and Safety Division request for comments to the Staff's March 11, 2005 Draft Operation Plan Summary. The Staff's draft was posted on the California Public Utilities Commission website, with informal comments via email requested by March 25, 2005.

Elk Hills supports the Comments regarding the Staff's Draft Operation Plan Summary submitted today by the Joint GAOs. Elk Hills believes that rather than providing a straightforward summary of a GAO's Operating Plan developed pursuant to GO 167, the Staff's draft document will result in significant new and unnecessary work for GAOs. The standardized form for the Operation Plan Summary submitted by the Joint GAOs on January 18, 2005 required information regarding the asset's expected operating profile (similar to the "Unit Plan" in the Staff's draft) as well as areas for each of the 28 Operation Standards set forth in Appendix E of D.04-12-049, summarizing how each GAO's Operation Plan complied with the standard or how and when operation would be brought into compliance. Elk Hills continues to believe that this draft form satisfies the specific requirements of GO 167 § 8.3 as well as the spirit of flexibility provided in D.04-12-049.

In voluntarily submitting this document to the Commission, and further participating in the Commission's compliance program, Elk Hills expressly reserves its right to challenge fully, in an appropriate forum, the relevant portions of 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 submittal to the Commission constitutes a waiver of such rights or any of the arguments relating to jurisdiction over exempt wholesale generators that have been raised in the Commission's rulemaking proceeding (R.02-11-039).

I look forward to further discussions regarding the Operation Plan Summary document at the April 6 workshop. In the meantime, I can be reached at (661) 763-2724 if you have any questions.

Sincerely



Jim McArthur  
Director – Operations and Assistant Secretary  
Elk Hills Power, LLC