



October 6, 2004

Via Electronic Mail

Glenn Bjorkland
bjorkpvcc@aol.com

Michael Kahn
Folger, Levin & Kahn LLP
275 Battery Street, 23rd Floor
San Francisco, CA 94111
mkahn@flk.com

Carl Wood
Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
cxw@cpuc.ca.gov

**Re: Reply Comments of Elk Hills Power, LLC to the California Electricity
Generation Facilities Standards Committee in Support of the Joint GAO
Revisions**

Dear Committee Members:

Elk Hills Power, LLC (Elk Hills) submits the following reply comments pursuant to the notice issued on September 17, 2004 (Notice) by Commissioner Carl Wood as presiding officer of the California Electricity Generation Facilities Standards Committee (Committee) and the further instructions provided at the September 20 and 21, 2004 Committee workshops (Workshops) regarding the "Proposed Operations Standards and Guidelines for Generators" (Operating Standards).¹

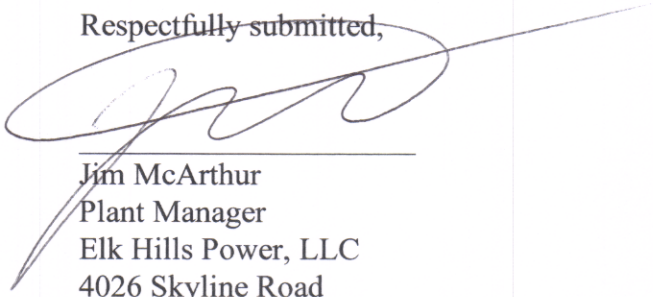
¹ In voluntarily submitting these Comments to the Committee, Elk Hills expressly reserves its right to challenge fully, in an appropriate forum, the relevant portions of Senate Bill 39XX (SBX2 39) and the authority conferred on the Commission therein, as well as any requirement the Commission may attempt to impose on Elk Hills pursuant to such authority. Nothing in this submittal constitutes a waiver of such rights or any of the arguments that have

During the Workshops, the Generating Asset Owners (GAOs) were invited by the Staff of the Committee to propose revisions to the Operating Standards. As an active participant in the Workshops, Elk Hills is pleased to advise the Committee of its support for the redline version of the draft Operation Standards submitted on October 1, 2004 by the Generation Asset Owners group (the "Joint GAO Revisions").

In addition to comments provided via the Joint GAO Revisions, Elk Hills agrees with the points raised in the October 1, 2004 individual comments other GAOs with regard draft Operations Standards 1 through 12. Elk Hills agrees that these Operating Standards should be deleted as an unnecessary repetition of existing regulations in the same proceeding, many of which are also regulated by other areas of law. Similarly, Elk Hills shares concerns with regard to the Operations Standard 28, in that

Elk Hills appreciates the opportunity to work with the Committee and other GAOs in this process and looks forward

Respectfully submitted,



Jim McArthur
Plant Manager
Elk Hills Power, LLC
4026 Skyline Road
PO Box 460
Tupman, CA 93276
(661) 763-2724

been raised in a variety of pleadings filed with the Commission by Elk Hills in this proceeding relating to jurisdiction over exempt wholesale generators (EWGs).