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CALIF ENERGY COMMISSION

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April 11, 2005

Docket Number 02-PII-01
California Energy Commission
Docket Office
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Re. Docket Number 02-PII-01; Proposed Amendments to the Petroleum Industry Information Regulations (CA Code of Regulations Title 20, Sec 1361 et seq.)

BP America Inc. appreciates the opportunity to review and comment on the proposed amendments to the Petroleum Industry Information Regulations (PIIRA). BP has been working over the past two years with CEC staff on the amendments. We would like to thank Sue Kateley, Gordon Shrimp and the other CEC staff for their efforts on these regulations. We fully support the overall purpose and goal of these rules, but we continue to be concerned about two issues that if addressed properly could help improve the proposed rule and ensure its smooth implementation:

First, we observed to the staff, on more than one occasion, that the proposed monthly information for four reports (M08, M700, M810 and M900) was almost the same as that requested weekly (W08, W700, W800, W900). We suggested the monthly reports could be eliminated and that we would report any monthly information not originally included in the weekly reports instead. From our discussions we had understood that the CEC staff's concern with our proposal was mainly that they needed the monthly reports to compare with historical information. To our surprise, the staff's official response failed to include this concern, but contained a new one that the monthly data is "...more accurate or better..." and is "useful for more in depth review".

We question the staff's rationale for retaining the four monthly reports. The weekly information is the most timely and likely the most useful to the Commission. Although we have not done any formal evaluation we believe the weekly information we submit, with some possible exceptions, is likely as accurate as the monthly information. Company assets

should be focused on collecting and reporting the best weekly information possible and not spent reporting the same information twice.

The amended rules will require BP to submit almost 1200 forms to the CEC each year. The proposed amendments increase the total number of CEC forms by only 5, but in our case will more than triple the number of forms we are currently mandated to submit. Our request to eliminate the four monthly reports would reduce the number of forms we would be required to submit by less than 15% - we don't believe this is an unreasonable request.

In our opinion the alleged improvement in monthly data quality doesn't justify the duplication of effort to report the same information twice but in a different format. We therefore request again that the monthly reports are not needed and could be eliminated.

We don't object to providing CEC useful information, but as a matter of principle, we do object to having to report it twice.

Secondly, we want to encourage the Commission to continue efforts of its staff to work closely with our industry on the actual forms and guidelines. The specific report forms were not included in the regulations, and, although we were told this is not customarily done, we are still concerned that staff is working on revising the forms and guidelines, and we want to ensure we can review and comment on them before they are finalized. Finally, we would ask that the Commission authorize and encourage ongoing private meetings or tutorials with individual companies to help ensure full compliance since the requirements are very complex.

Again, we want to thank the Commission and its staff for working with us on these regulations and commit to continue our efforts to work cooperatively with you to help ensure you get the information you need to help us meet the energy needs of California consumers.

Sincerely,

David A. Smith
Director, Regulatory Affairs