PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



September 1, 2011

Mr. William Probasco Operations Manager Ormond Beach Generating Station 6635 S. Edison Drive Oxnard, CA 93033

RE: Audit of Ormond Beach Generating Station - Audit Number GO167-1013

Dear Mr. Probasco:

As you know, an audit team from the Consumer Protection and Safety Division (CPSD) has been conducting an audit of the Ormond Beach Generating Station (Ormond Beach) for compliance with General Order 167. Now, CPSD delivers the attached preliminary audit report.

By October 3, 2011, please send us a response to the preliminary audit report, including a Corrective Action Plan (CAP) for the violations listed in Sections 5 and 6 of the report. The CAP should include a description and schedule of the actions Ormond Beach plans to take to achieve full and prompt compliance with the Standards. If you believe there are factual or other errors in the preliminary audit report, you may discuss these in your response. Please submit your response electronically, in both Microsoft Word and Adobe Acrobat PDF formats, to Michelle Cooke, Interim Director of CPSD, at michelle.cooke@cpuc.ca.gov, with copies to powerplant audits@cpuc.ca.gov, valerie.beck@cpuc.ca.gov, winnie.ho@cpuc.ca.gov, and chris.lee@cpuc.ca.gov. We will review your response carefully, and if necessary, set up a meeting with you for further discussions.

Please note that although Ormond Beach has been given 30 days to respond, Ormond Beach has a continuing obligation to comply with all applicable requirements of General Order 167. The 30-day period does not alter this continuing duty.

If you wish to make a claim of confidentiality covering any of the information in the preliminary audit report, please submit a confidentiality request pursuant to Section 15.4 of General Order 167, using the heading "GENERAL ORDER 167 CONFIDENTIALITY CLAIM." Please send the request to Charlyn Hook (charlyn.hook@cpuc.ca.gov), Legal Division, with a copy to Michelle Cooke, (michelle.cook@cpuc.ca.gov), Interim Director of CPSD.

Thank you for your courtesy and cooperation throughout the audit process. If you have any questions, please call Chris Lee at (415)703-1323, or email at chris.lee@cpuc.ca.gov.

Sincerely,

Valerie Beck, Acting Program Manager

Valerie Beck

Consumer Protection and Safety Division

Enclosures