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File G.O. 166

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

Order Instituting Rulemaking for Electric
Distribution Facility Standard Setting

(U 39 E)

R.96-11-004

**Sierra Pacific Power Company's
ANNUAL REPORT ON COMPLIANCE
WITH GENERAL ORDER 166**

Compliance Period: July 1, 2005- June 30, 2006

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Dated: October 31, 2006

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**Sierra Pacific Power Company's
ANNUAL REPORT ON COMPLIANCE
WITH GENERAL ORDER 166**

Compliance Period: July 1, 2005 - June 30, 2006

Pursuant to General Order 166, Standard 11, Sierra Pacific Power Company (SPPC) hereby submits its report on its compliance with General Order 166 for the period July 1, 2005 through June 30, 2006 ("Compliance Period"). This report demonstrates SPPC's compliance with each of the thirteen standards of the General Order.

In 2005, changes in SPPC's organizational structure created a change to the emergency planning and reporting for the California Service Areas. Part of the corporate reorganization created five separate operations regions; South Las Vegas Region, North Las Vegas Region, Elko/East Region, Carson Region and Reno Region. Previously Sierra Pacific's California Service Area was managed under one "Tahoe District" operating group. With the reorganization, the California Customers in El Dorado, Alpine, and Mono counties are under the Carson Regional Operations, and the California customers in Placer, Nevada, Sierra and Plumas counties are under the Reno Regional Operations. As a consequence of this reorganization, the "Tahoe District Emergency Response Plan", which was provided in past GO166 reporting, is no longer valid in its entirety. Beginning with the previous compliance period, Sierra Pacific Power Company will provide their Corporate Emergency Response Plan as the primary emergency plan,

and include the pertinent emergency operating issues for the California Service Areas, as an Annex to the Corporate Emergency Response Plan. This Annex is provided until the individual operating regions can develop and finalize their individual emergency operating plans, which should comply with the CPUC GO166 requirements for the appropriate regions. When these plans become available they will be provided to the Energy Division of the California Public Utilities Commission.

Standard 1: Emergency Response Plan

The 2005 Sierra Pacific Resources Corporate Emergency Response Plan (CERP) covers each of the items specified in Standard 1. The following Table 1 sets forth the location in the Corporate Emergency Response Plan where the required elements are covered.

Table 1. Location of Topics Covered in Plan

Requirement	Section	Pages
A. Internal Coordination	Section 2.0	All
	Annex H, Section 4.0	All
	Annex A, and B	B Under Revision
ISO/TOC Coordination	Annex H, Section 6.0	All
B. Media Coordination	Section 5.0	All
	Annex H, Section 5.0	All
C. External and Governmental Coordination	Section 2.0	Pages 3, 4
	Section 5.0	Page 2
	Annex H, Section 7.0	All
D. Safety Coordination	Annex H, Section 8.0	All
E. Damage Assessment	Annex H, Section 9.0	All
F. Restoration Priority Guidelines	Annex H, Section 10.0	All
G. Mutual Assistance	Section 6.0	Page 1
	Annex F	All
H. Plan Updates	Section 8.0	All
	Appendix A	All

Standard 2: Mutual Assistance Agreements

Sierra Pacific Power Company has entered into several mutual assistance agreements with a number of other California electric utilities and electric and gas utilities throughout the western United States and Canada. The agreements include each of the items listed in Standard 2. Copies of the current agreements are provided in the Corporate Emergency Response Plan as Annex F.

Standard 3: Emergency Training and Exercises

Sierra Pacific Power Company did not conduct a formal annual exercise testing the Tahoe District Emergency Response Plan or the Sierra Pacific Resources Corporate Emergency Response Plan during this reporting period. The corporate plan continues to be modified to accommodate the corporate restructuring. Standard 3. Sub. A, states: If the utility uses the plan during the twelve month period in responding to an event or major outage, the utility is not required to conduct an exercise. Sierra Pacific did activate its emergency plan in response to the flooding, storm and snow event in the Sierras and Western Nevada during December 2005 and January 2006 (single continuous event). Information and evaluation of this event is provided in Tab 1 attached to this report.

Standard 4: Communications Strategy

- A. Sierra Pacific Power Company's strategy for communicating with the media and customers through Call Centers is contained in the Sierra Pacific Resources Corporate Emergency Response Plan in Sections 5.2, 5.2.1, and 5.2.2.
- B. Sierra Pacific Power Company's strategy for communicating with Government is contained in the Sierra Pacific Resources Corporate Emergency Response Plan in

Sections 5.2.3, 5.2.4, and 5.2.5.

- C. The electric transmission and distribution system that serves Sierra Pacific's California Electric Customers is not connected to any CAISO controlled or Transmission Owner operated electric grid. CAISO and California Transmission Emergencies do not directly affect Sierra's California Customers because the primary electricity generation and transmission are served from Nevada and a separate northwest operating grid. However, Sierra's Control Area Operations is continually in contact with the CAISO, and other Transmission Owners as part of the North America Electric Reliability Council grid coordination. This is also addressed in the Tahoe Regional Emergency Plan, Annex H, Section 6.0 of the Corporate Emergency Response Plan.

Standard 5: Activation Standard

This standard does not apply because Sierra Pacific Power Company did not have a Major Outage consisting of 23,000 customers out sustained and simultaneous, or half the California Customers, during this Compliance Period. However, Sierra Pacific did activate its emergency response plans during the December 2005 and January 2006 winter storm event and provided information and notification to California Public Utility Commission, California Office of Emergency Services, and regional jurisdictions. This information is provided as part of Tab 1 of this report.

Standard 6: Initial Notification Standard

This standard does not apply because Sierra Pacific Power Company did not have a Major Outage in this Compliance Period. (Please see Standard 5 response above.)

Standard 7: Mutual Assistance Evaluation Standard

This standard does not apply because Sierra Pacific Power Company did not have a Major

Outage in this Compliance Period. (Please see Standard 5 response above.)

Standard 8: Major Outage and Restoration Estimate Communication Standard

This standard does not apply because Sierra Pacific Power Company did not have a Major Outage in this Compliance Period. (Please see Standard 5 response above.)

Standard 9: Personnel Redeployment Planning Standard

Sierra Pacific outlines the personnel and resource redeployment process in Annex J, Section 11.0 of the Corporate Emergency Response Plan. As the development of Regional Operations Emergency Plans continues, the training and deployment of non-trade emergency personnel will be addressed in the planning process.

Standard 10: Annual Pre-Event Coordination Standard

As a member of the California Utilities Emergency Association (CUEA), Sierra Pacific Power Company meets at least quarterly with the State Office of Emergency Services to discuss emergency planning and response issues and opportunities to support the respective organizations in a large-scale emergency. Sierra Pacific Power Company's Emergency Management representative is a member of the Board of Directors of CUEA, a member of the Training and Exercise Committee, and Chair of the Energy Committee. The Energy Committee meets regularly with the CUEA Executive Director, as liaison with the State OES, member gas, electric and pipeline utilities, and the California Independent System Operator on emergency planning and response issues.

Sierra Pacific representatives are active members of the Sierra Front Wildfire Cooperators which meets monthly and represent wildland fire agencies from Nevada Division of Forestry, US Forest Service, California Department of Forestry and Firefighting, California OES Fire Division, Bureau of Land Management and numerous local fire departments that work

cooperatively in wildfire management across 7 California and 6 Nevada counties along the Sierra Nevada Range. On June 15, 2005, Sierra Pacific provided electric safety and coordination to 40 members of the wildland fire agencies as part of the Sierra Front Field Command Pre-Season meeting.

Standard 11: Annual Report

The number of repair and maintenance personnel in each personnel classification, from June 30, 2005, to June 30, 2006, including the previous year, is attached as Tab 2.

Standard 12: Restoration Performance Benchmark for A Measured Event

Sierra Pacific Power Company has fewer than 150,000 electric customers and is exempt from application of this standard.

Standard 13: Call Center Benchmark for A Measured Event

Sierra Pacific Power Company has fewer than 150,000 electric customers and is exempt from application of this standard.

Respectfully submitted,

Sierra Pacific Power Company

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