



Sierra Pacific™

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ENERGY DIVISION

Legal Department

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November 2, 2009

Delivered Via Federal Express

Julie Fitch
Director, Energy Division
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

**Re: Sierra Pacific Power Company
Annual Report on Compliance with General Order 166**

Dear Ms. Fitch:

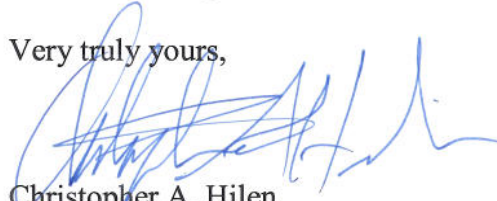
Enclosed please find the Annual Report of Sierra Pacific Power Company ("Sierra Pacific") on Compliance With General Order 166 for the Compliance Period July 1, 2008 – June 30, 2009. We are providing this report in compliance with G.O. 166, Standard 11, Annual Report.

The attachments to the Annual Report include the Corporate Emergency Response Plan ("CERP") of NV Energy, Sierra Pacific's parent company, and NV Energy affiliates. As with all emergency plans and procedures within NV Energy, the CERP and its annexes and attachments are internal working and operating documents, and are not intended for public disclosure. Although many of the CERP components do not contain sensitive or proprietary information, the CERP in its entirety does provide information that could be used against the utility in an adverse way.

Given the current environment of homeland security and infrastructure protection, the state of Nevada adopted Nevada Revised Statute 239C, Homeland Security. Pursuant to Section 270 of the statute, all contents of the utility's emergency plans and vulnerability analyses are treated as confidential. Accordingly, Sierra Pacific requests that the Commission maintain the confidentiality of the CERP pursuant to Section 583 of the California Public Utilities Code.

Please call me if you have any questions about the report.

Very truly yours,



Christopher A. Hilien
Associate General Counsel

cc: Ken Lewis, Deputy Director (with report)
Brian D. Schumacher, Supervisor (with report)

**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

**ANNUAL REPORT OF SIERRA PACIFIC POWER COMPANY
ON COMPLIANCE WITH GENERAL ORDER 166**

Compliance Period: July 1, 2008- June 30, 2009

CHRISTOPHER A. HILEN
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Dated: November 2, 2009

**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

**ANNUAL REPORT OF SIERRA PACIFIC POWER COMPANY
ON COMPLIANCE WITH GENERAL ORDER 166**

Compliance Period: July 1, 2008- June 30, 2009

Introduction

Pursuant to General Order 166 (“G.O. 166), Standard 11, Sierra Pacific Power Company (“Sierra Pacific”) hereby submits its report on its compliance with G.O. 166 for the period July 1, 2008 through June 30, 2009 (“Compliance Period”). This report demonstrates Sierra Pacific’s compliance with each of the thirteen standards of G.O. 166.

Sierra Pacific provides retail electric service to the public in northern Nevada and in the Lake Tahoe area of California. In California, Sierra Pacific serves 46,000 customers, who are located in portions of Placer, El Dorado, Nevada, Sierra, Plumas, Mono, and Alpine Counties. Its service territory generally encompasses the western portions of the Lake Tahoe Basin ranging from Portola in the north to Markleeville and Topaz Lake in the south; however, 80% of its customers are located in the Lake Tahoe Basin. The terrain in the service territory is mountainous, with elevations ranging from 9,050 feet in Squaw Valley to just under 5,000 feet at Portola. Most of its customers are located at elevations greater than 6,000 feet.

Sierra Pacific's electric service area is divided into three regional hubs for electric operations with individual services areas within those hubs. The California service area is primarily comprised of the South Tahoe service area serving parts of Carson City, Douglas County in Nevada, and El Dorado County in California and is part of the Regional Hub Operations in Carson City. The North Tahoe service area serves parts of Washoe County in Nevada and Placer, Nevada, Sierra and Plumas County in California and is part of the Regional Hub operations in Reno Nevada. The two service areas work as independent control areas for distribution switching. The primary transmission source for North Tahoe is from the 120 kV systems out of Truckee and Verdi, California and the South Tahoe source is out of the 120 kV systems in the Carson Valley of Nevada. There is very little distribution interconnection between the two service areas. Because of the unique independent configuration the service areas operate as individual districts during emergencies. For ease of reference, this report uses the term "Tahoe Districts" to refer collectively to the North Tahoe service area and the South Tahoe service area of the California service territory.

In December 2008 Sierra Pacific's parent corporation Sierra Pacific Resources changed its name to NV Energy Incorporated. The operating divisions of the parent corporation, Nevada Power Company and Sierra Pacific, now do business as NV Energy but retain their names as owners and operators of their individual infrastructure. Annex D of this plan, which is specific to California operations, will retain the Sierra Pacific Power Company brand.

Correspondence or communications regarding this report should be addressed to:

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Standard 1: Emergency Response Plan

The 2009 NV Energy Corporate Emergency Response Plan covers each of the items specified in Standard 1. The Corporate Emergency Response Plan is attached as Tab 1 to this report. 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 Annex D, Section 4.0 Annex A | All All All |
| ISO/TOC Coordination | Annex D, Section 6.0 | All |
| B. Media Coordination | Section 5.0 Annex D, Section 5.0 | All All |
| C. External and Governmental Coordination | Section 2.0 Section 5.0 Annex D, Section 7.0 | Pages 3, 4 Page 2 All |
| D. Safety Coordination | Annex D, Section 8.0 | All |
| E. Damage Assessment | Annex D, Section 9.0 | All |
| F. Restoration Priority Guidelines | Annex D, Section 10.0 | All |
| G. Mutual Assistance | Section 6.0 Annex C Annex D, Section 11.0 | Page 1 All All |
| H. Plan Updates | Section 8.0 Appendix A | All All |

Standard 2: Mutual Assistance Agreements

Sierra Pacific has entered into several mutual assistance agreements with a number of other electric and gas utilities in California and 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 Annex C of the Corporate Emergency Response Plan.

Standard 3: Emergency Training and Exercises

Sierra Pacific did not conduct an internal formal annual exercise testing the Tahoe Districts Emergency Response Plan or the NV Energy Corporate Emergency Response Plan during this reporting period. However, Sierra Pacific's emergency management representatives and representatives of the Tahoe Districts participated in the California Golden Guardian 08,

South Lake Tahoe Functional Exercise, through the California Office of Homeland Security and Office of Emergency Services (recently merged into CalEMA). Sierra Pacific personnel are members of the planning team which began in December 2007 and culminated in a South Lake Tahoe region functional exercise on November 6, 2008. This exercise comprised representatives from two states, multiple jurisdictions in and around the Tahoe Basin, several public safety, law enforcement, fire, EMS, and local hospitals and multiple utilities in the region. This exercise and training was not hosted by the utility but does comply with Standard 3: Emergency Training and Exercise.

Information on this Table Top Exercise is provided as Tab 2 to this report.

Standard 4: Communications Strategy

- A. Sierra Pacific's strategy for communicating with the media and customers through Call Centers is contained in Sections 5.2, 5.2.1, and 5.2.2 of the NV Energy Corporate Emergency Response Plan.
- B. Sierra Pacific's strategy for communicating with Government is contained in the Sections 5.2.3, 5.2.4, and 5.2.5 of the NV Energy Corporate Emergency Response Plan.
- C. The electric transmission and distribution system that serves Sierra Pacific's California service territory 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 Pacific'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 D,

Section 6.0 of the Corporate Emergency Response Plan.

Standard 5: Activation Standard

Sierra Pacific did not have a Major Outage, consisting of 23,000 customers out sustained and simultaneous or half the California Customers, during this Compliance Period

Standard 6: Initial Notification Standard

This standard does not apply because Sierra Pacific did not have a Major Outage in this Compliance Period.

Standard 7: Mutual Assistance Evaluation Standard

This standard does not apply because Sierra Pacific did not have a Major Outage in this Compliance Period that would require an evaluation of Mutual Assistance needs.

Standard 8: Major Outage and Restoration Estimate Communication Standard

This standard does not apply because Sierra Pacific did not have a Major Outage in this Compliance Period.

Standard 9: Personnel Redeployment Planning Standard

Sierra Pacific outlines the personnel and resource redeployment process in Annex D, Section 11.0 of the Corporate Emergency Response Plan. As the development of Regional Emergency Coordination 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 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’s Emergency Management representative is a member of the Board of Directors of CUEA, a member of the Training and Exercise Committee, and Past Chair of the Energy Committee. The Energy Committee meets regularly with the CUEA Executive Director, as liaison with the State OES CalEMA, 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 seven California and six Nevada counties along the Sierra Nevada Range.

Standard 11: Annual Report

The number of repair and maintenance personnel in each personnel classification, from June 30, 2008, to June 30, 2009, including the previous year, is attached as Tab 3 to this report.

Standard 12: Restoration Performance Benchmark for A Measured Event

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

Respectfully Submitted,



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Dated: November 2, 2009