

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

Order Instituting Rulemaking on the
Commission's Own Motion to Consider Revising
Energy Utility Tariff Rules Related to Deposits
and Adjusting Bills as They Affect Small
Business Customers.

Rulemaking 10-05-005
(Filed May 6, 2010)

**COMMENTS OF PACIFICORP ON SMALL BUSINESS PROGRAM STAFF
REPORT REGARDING THE WORKSHOP ON BACKBILLING & DEPOSITS**

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I. INTRODUCTION

Pursuant to the Administrative Law Judge's Ruling Providing Opportunity for Comments on Staff Report issued July 28, 2010, PacifiCorp d.b.a. Pacific Power (PacifiCorp or Company) submits opening comments on the Small Business Program Staff Report on the July 6, 2010 workshop (Workshop) held in this proceeding. The California Public Utilities Commission (Commission) Business and Community Outreach Staff (Staff) issued a report (Report) summarizing the Workshop and written comments filed in this proceeding, and provided recommendations to the Commission for the outcome of this proceeding.

II. DISCUSSION

PacifiCorp is a multi-jurisdictional utility providing electric retail service to customers in California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp serves approximately 46,500 customers in Del Norte, Modoc, Shasta, and Siskiyou

counties in northern California. The Company's California service territory represents less than two percent of PacifiCorp's total retail electricity load.

On June 14, 2010, PacifiCorp filed written comments in this proceeding. PacifiCorp also participated in the Workshop. The Report generally captures the activities and positions advanced in this proceeding. The Company offers modest suggestions for revisions to the Report in efforts to fully reflect its position as presented in previous comments and during the Workshop.

A. Summary of PacifiCorp's Opening Comments

In its June 14, 2010 written comments, PacifiCorp stated that it did not object to the idea of certain small business customers being subject to the same deposit and back-billing requirements as residential customers, but expressed concerns with the proposal to define such small business customers using the California Government Code.¹ In its opening comments to the Workshop, PacifiCorp reiterated this position. Pages 9-10 of the Report contain a summary of PacifiCorp's opening comments at the workshop. The Report states in the first bullet point under "PacifiCorp" that "PacifiCorp agrees that we should reduce the back-billing period from three years to three months." PacifiCorp respectfully requests that the Report be amended to note that the Company *does not* oppose the change to the back-billing period.

Further in the first bullet point under "PacifiCorp," the Report states that PacifiCorp's "systems cannot support the programming that would be required to execute the Government Code's definition of small business."² The Company suggests that a more accurate representation of PacifiCorp's position is that PacifiCorp's systems would

¹ R.10-05-005, Opening Comments of PacifiCorp, p. 2 (June 14, 2010).

² Report, p. 9.

require significant reprogramming to accommodate the Government Code's definition of "small business."

B. Discussion on Back-billing

The Report contains a summary of the discussion on the back-billing issue.³ Page 13 of the Report states that at the end of the Workshop discussion, the "group unanimously agreed that small-businesses should only be back-billed three months." Page 13 of the Report also states that the group unanimously agreed that non-residential customers could meet the definition of "small business" through one of two ways: 1) through usage or demand, or 2) by meeting the definition of "small business" contained in the California Government Code Section 14837.

PacifiCorp's position on the back-billing issue continues to be that it does not oppose reducing the back-billing time frame from three years to three months. Such a change would shift costs to other customers. However, PacifiCorp recognizes the importance of this issue and intends to cooperate with the prevailing position that small business customers should be treated as residential customers in certain aspects of customer relations.

Further, PacifiCorp did not agree to the inclusion of the definition of "small business" as contained in the Government Code to the definition of "small business" for this proceeding. PacifiCorp's position on this issue continues to be that using the Government Code definition of "small business" will impose excessive administrative costs on the Company. Even including it as an option for the definition of "small business" could prove administratively burdensome and could lead to confusion for customers. Defining "small business" based on usage or demand characteristics is simple,

³ Report, pp. 11-13.

straightforward, and less likely to confuse customers. Usage-based criteria specifically relate to the relationship between the customer and the utility, and represent an already-practiced way of defining “small business” from a rate perspective. Additionally, the usage and demand criteria will capture most, if not all, small business customers, including those that would not necessarily meet the limited definition established in California Government Code Section 14837. Usage-based criteria is specific and already measured by the utilities, and will be less costly to implement for small or micro businesses, thereby limiting further burden on other customers.

PacifiCorp also has concerns with the statement in the Report that the parties agreed that there would be no additional costs to implement new rules.⁴ There are costs incurred with any change. Defining “small business” based on usage or demand reduces the administrative burden and keeps costs at a nominal level.

C. Staff Recommendations

Staff provided recommendations for Commission action on both the back-billing and deposit requirements issues.⁵ As stated above in Section B, PacifiCorp’s position on the back-billing issue continues to be that it does not oppose reducing the back-billing time frame from three years to three months.

Pacific Power supports Staff’s recommendation that deposits for small businesses be two times the monthly average bill.

⁴ Report, p. 13.

⁵ Report, pp. 18-20.

III. CONCLUSION

PacifiCorp appreciates the opportunity to provide comments on the Report.

Respectfully submitted this 6th day of August 2010 at San Francisco, California.

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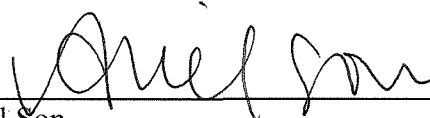
Certificate of Service

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have provided via electronic mail or US Mail if an E-mail address has not been provided, a true and correct copy of the **Comments of PacifiCorp on Small Business Program Staff Report regarding the Workshop on Backbilling & Deposits** to the following parties:

Service List R.10-05-005

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DATED: August 6, 2010, at Portland, Oregon



Ariel Son
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