

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

Order Instituting Rulemaking to Integrate and Refine
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 12-03-014
(Filed March 22, 2012)

**JOINT COMMENTS OF PACIFICORP (U 901 E), BEAR VALLEY ELECTRIC
SERVICE (U 913 E), AND CALIFORNIA PACIFIC ELECTRIC COMPANY, LLC
(U 933 E) ON PRELIMINARY SCOPING MEMO**

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**COMMENTS OF PACIFICORP (U 901 E)
ON PRELIMINARY SCOPING MEMO**

Pursuant to Rule 14.3 of the California Public Utilities Commission (CPUC or Commission) Rules of Practice and Procedure and the Order Instituting Rulemaking (OIR) issued March 22, 2012, PacifiCorp (U-901-E), d.b.a. Pacific Power (PacifiCorp), Bear Valley Electric Service, a division of Golden State Water Company (U-913-E) (BVES) and California Pacific Electric Company, LLC (U-933-E),¹ (CalPeco), together as the California Association of Small and Multi-Jurisdictional Utilities (CASMU) hereby provide these joint comments on the Preliminary Scoping Memo (PSM) set forth in the OIR.

I. Introduction

Consistent with Public Utilities Codes Section 454.5(i), CASMU members do not participate in the Long-Term Procurement Plan dockets and are not required to submit procurement plans.² In addition, CASMU members all have characteristics that set them apart from the three large California utilities as described below. CASMU members have relatively small customer bases when compared to the three large California utilities. Thus, reporting and

¹CalPeco also does business in California as “Liberty Energy-California Pacific Electric Company, LLC.” CalPeco and BVES have authorized PacifiCorp to submit this filing on their behalf.

² See D.03-07-011 (exempts PacifiCorp from the filing of procurement plans in the LTPP per Section 454.5(i) and allows other eligible utilities to file requests for such exemption by advice letter); Resolution E-4232 (exempts Bear Valley from the filing of procurement plans); D.04-02-044 (exempts Sierra Pacific Power Company, now CalPeco, from the filing of procurement plans).

compliance requirements often result in a disproportionately larger administrative burden on a per customer basis for CASMU members than is realized by the three largest California utilities. Therefore, the CASMU members respectfully request that they be removed as respondents to this proceeding.

A. PacifiCorp

PacifiCorp serves more than 1.7 million customers in six western states (California, Idaho, Oregon, Utah, Washington, and Wyoming). PacifiCorp has approximately 45,000 retail customers in California. These customers currently comprise only 1.5 percent of PacifiCorp's total retail sales. PacifiCorp also has ownership interests in thermal generation units located in three additional western states (Arizona, Colorado, and Montana). PacifiCorp has more than 10,400 megawatts of generation capacity from coal, hydro, wind, natural gas-fired combustion turbines, solar, and geothermal. PacifiCorp is uniquely situated in comparison to the other investor owned utilities in California because it has load-service obligations in six states and multi-state cost allocation considerations, and PacifiCorp does not participate in the CPUC's Long Term Procurement Plan dockets. As a result, the procurement and planning practices associated with PacifiCorp's California customers are significantly different from other utilities in California.

B. Bear Valley Electric Service

BVES is a small electric utility in the Big Bear Lake recreational area of the San Bernardino Mountains that provides electric distribution service to approximately 21,900 residential customers in a resort community with a mix of approximately 40% full-time and 60% part-time residents. Its service area also includes about 1,400 commercial, industrial and public-authority customers, including two ski resorts. BVES' service territory is connected to the

California Independent System Operator (“CAISO”) via agreements with Southern California Edison, including a Wholesale Distribution Access Tariff (“WDAT”).

C. California Pacific Electric Company, LLC

CalPeco is an investor-owned electric utility that serves approximately 49,000 customers in the Lake Tahoe area of California. CalPeco has limited electrical connections with the rest of California and is not a part of the electrical grid controlled by the CAISO. Instead, CalPeco is included in NV Energy’s multi-state balancing authority area, which is subject to Western Electricity Coordinating Council (“WECC”) reliability standards. CalPeco currently procures all of its RPS requirements from out-of-state resources through a single Commission approved power purchase agreement with Sierra Pacific Power Company (“Sierra PPA”).³ Thus, CalPeco’s RPS procurement activities are dramatically more limited than the other California investor-owned utilities.

II. CASMU Members Should Not be Respondents to the LTPP Proceeding

Historically, CASMU members have not participated in LTPP proceedings because the Commission has allowed them to undertake resource planning through different mechanisms. The Commission has allowed PacifiCorp to substitute its six-state Integrated Resource Planning (IRP) process for the development of a Long-Term Procurement Plan. BVES has been granted an exemption from the LTPP proceeding based upon, among other things, the disproportionate impact such participation would have on its customers.⁴ Similarly, CalPeco’s predecessor, Sierra

³ The Sierra PPA obligates Sierra to supply CalPeco’s “full requirements” to serve CalPeco’s customers, including 20% from RPS-eligible renewable sources. D.10-10-017, mimeo at 20.

⁴ See Resolution E-4232, February 2009, exempting BVES from participating in the LTPP.

Pacific Power Company, was granted an exemption from the LTPP proceeding because “the preparation of a procurement plan would place an unnecessary cost” on its customers.⁵

Due to this, CASMU members should not be a named respondent to the LTPP proceeding. Further, the CASMU members respectfully request that, to the extent procurement or planning related issues arise with respect to CASMU members’ procurement practices, those issues be addressed in a manner specific to each of their individual and unique regulatory structures.

III. Conclusion

CASMU appreciates this opportunity to submit comments in response to the Preliminary Scoping Memo and respectfully requests, for the reasons fully described above, that its members are removed as a respondent to this proceeding.

Dated: April 6, 2012

Respectfully submitted,



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⁵ See D.04-02-044, at 5 (Findings of Fact 4).

VERIFICATION

I am the attorney for the respondent corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 6, 2012 at Sacramento, California.

A handwritten signature in cursive script that reads "Brian Biering".

Brian Biering