STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, Governor

PUBLIC UTILITIES COMMISSION 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



May 31, 2007

Magalie R. Salas, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

> Re: *PacifiCorp* Docket No. ER07-882-000

Dear Ms. Salas:

Enclosed for filing in the above-docketed case, please find an original electronic filing of the attached document entitled "NOTICE OF INTERVENTION AND PROTEST OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION."

Thank you for your cooperation in this matter.

Sincerely,

/s/ Laurence G. Chaset

Laurence G. Chaset Staff Counsel

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

PacifiCorp

Docket No. ER07-882-000

NOTICE OF INTERVENTION AND PROTEST OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION

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INTRODUCTION

Pursuant to Rules 212 and 214 (a) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), and the FERC's May 15, 2007, Notice of Filing, the California Public Utilities Commission ("CPUC") hereby intervenes in the above-docketed proceedings.

These proceedings concern the submission by PacifiCorp of a Notice of Termination of an Agreement for use of transmission capacity between PacifiCorp and California's major Investor Owned Utilities. PacifiCorp's Notice of Termination pertains to a 47-mile segment of a 94 mile, 500-kV transmission line that forms an integral part of a regional transmission intertie (the Pacific AC Intertie, sometimes also referred to as the "California-Oregon Intertie"), which connects markets in California and the Pacific Southwest with markets in the Pacific Northwest extending into western Canada.

This Intertie consists of three parallel 500-kV transmission lines running

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from north of the California-Oregon border southward into northern California. Two of these lines cover an approximately 94-mile span from the Malin substation in southern Oregon to the Round Mountain substation in northern California. A third line, known as the California-Oregon Transmission Project runs from the Captain Jack substation in southern Oregon to the Olinda substation in northern California.

PacifiCorp owns the first 47 miles of one of the 500-kV lines, known as "Line #2," which runs from Malin to Indian Springs. Pacific Gas and Electric Company ("PG&E") owns the remaining 47 miles of this line, running from Indian Spring to Round Mountain. The PacifiCorp Line is interconnected, through the Malin substation, with other PacifiCorp-owned 500-kV and 230-kV transmission facilities, as well as with transmission facilities owned by Portland General Electric and with the Bonneville Power Administration.

For the past 40 years (beginning August 1, 1967), in accordance with a longstanding Capacity Agreement, PacifiCorp has made available to PG&E, Southern California Edison Company, and San Diego Gas & Electric Company the full capacity of the PacifiCorp portion of Line #2 for a fixed annual payment of \$475,000. By its negotiated terms, the Capacity Agreement expires on July 31, 2007 and all rights to capacity on the PacifiCorp portion of Line #2 revert to PacifiCorp.

PacifiCorp has submitted to FERC a Notice of Termination to notify FERC of the termination, effective July 31, 2007, of the Capacity Agreement. Upon

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expiration of the Capacity Agreement, PacifiCorp proposes to offer service on its portion of Line #2, as part of PacifiCorp's transmission system, through the PacifiCorp OASIS and pursuant to the terms of PacifiCorp's Open Access Transmission Tariff.

NOTICE OF INTERVENTION

The CPUC is a constitutionally established agency charged with the responsibility for regulating electric corporations within the State of California. In addition, the CPUC has a statutory mandate to represent the interest of electric consumers throughout California in proceedings before the FERC. This Notice of Intervention serves to make the CPUC a party to these proceedings.

Communications to the CPUC in this proceeding should be addressed to:

Laurence G. Chaset Public Utilities Commission of the State of California 505 Van Ness Avenue, Room 5131 San Francisco, California 94102 (415) 355-5595 lau@cpuc.ca.gov Karen M. Shea Public Utilities Commission of the State of California 505 Van Ness Avenue, 4th Floor San Francisco, California 94102 (415) 703-5404 <u>kms@cpuc.ca.gov</u>

PROTEST

The substance of the CPUC's Protest in this matter is set forth in the Motion

to Reject and Protest of the California Public Utilities Commission and Pacific Gas

and Electric Company that is being separately filed today in this docket.

Accordingly, the substance of the CPUC's Protest will not be repeated herein.

Dated: May 31, 2007

Respectfully submitted,

RANDOLPH L. WU HARVEY Y. MORRIS LAURENCE G. CHASET

By: /s/ Laurence G. Chaset

Laurence G. Chaset 505 Van Ness Avenue San Francisco, CA 94102 Phone: (415) 355-5595

Attorneys for the Public Utilities Commission of the State of California

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served upon all known parties in this proceeding by e-mail upon each party identified in the official service list compiled by the Secretary in this proceeding.

Dated at San Francisco, California, this 31st day of May, 2007.

/s/ Laurence G. Chaset

Laurence G. Chaset

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