



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**

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Application of SIERRA PACIFIC POWER COMPANY (U903 E) To, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2009, Establish Marginal Costs, Allocate Revenues, And Design Rates.

Application No. 08-08-004  
(Filed August 1, 2008)

**MOTION OF THE DIVISION OF RATEPAYER ADVOCATES  
FOR AN EXTENSION OF TIME**

**I. INTRODUCTION**

Pursuant to Rules 11.1 and 11.6 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits this Motion for An Extension of Time to the schedule adopted for this proceeding. Since other parties to this proceeding would be affected by the extension, DRA has asked them if they would agree to the extension. As of this writing, DRA has not heard from Sierra Pacific Power Company (Sierra Pacific). DRA has heard from counsel for the A-3 Customer Coalition and understands that the A-3 Customer Coalition would agree to either of the schedules DRA proposes below.

DRA seeks this extension due to the changes Sierra Pacific's Amendment makes in numerous areas of testimony and workpapers, and to address scheduling problems that have arisen since the Scoping Memo was issued.

Sierra Pacific filed its General Rate Case (GRC) Application on August 1, 2008. In its Application, Sierra Pacific sought an increase in general rates totaling \$6.6 million,

or 8.1% overall based on present rates, effective April 1, 2009.<sup>1</sup> Sierra Pacific also asked for an authorized Return on Equity (ROE) of 11.4% resulting in an overall Rate of Return on rate base of 8.81%.<sup>2</sup>

In early December 2008, counsel for Sierra Pacific contacted counsel for DRA to say that Sierra Pacific had discovered an error in the calculation of allocation percentages that would add an additional \$2.3 million to the California revenue requirement. DRA has received Sierra Pacific's Amendment, which is dated December 19, 2008. Notice of the Amendment first appeared in the Commission's Daily Calendar on December 30, 2008.

On December 8, 2008, DRA sent Sierra Pacific data requests asking the company to provide revised responses to all data requests affected by the error Sierra Pacific found in its original calculations, and to provide revised electronic files for the Results of Operations Model, Cost Allocations and Unbundling.<sup>3</sup> DRA asked for the responses by December 22, 2008. On December 12, 2008, Sierra Pacific notified DRA that "Responses to 23 and 24 will be delayed due to finalizing amendment data and end of the year holiday schedules. Responses will be provided by January 9<sup>th</sup>."

## **II. DISCUSSION**

### **A. Sierra Pacific's Amendment to A.08-08-004**

In its Application, Sierra Pacific proposed an increase in the electric distribution base revenue requirement of \$6.6 million for TY 2009. Even at this level, the rate increase would be substantial since Sierra Pacific has only approximately 46,000 California customers.

Now, five months after filing its Application, Sierra Pacific says that the "... increase of \$6.6 million filed in the Application was understated by \$2.3 million and

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<sup>1</sup> A.08-08-004, Vol. 1, p. 1.

<sup>2</sup> A.08-08-004, Vol. 1, p. 1.

<sup>3</sup> DRA-SPPC-023-JTJ, and DRA-SPPC-024-TLG.

should have been \$8.9 million.”<sup>4</sup> This Amendment constitutes an 11% increase in Sierra’s proposed revenue requirement,<sup>5</sup> and an increase of approximately 35% over what SCE originally requested in its Application.

Thus, while Sierra Pacific’s original proposed increase would have resulted in a 7.67% rate increase to residential customers, now, with the Amendment, the increase would be 10.61%.<sup>6</sup> Similarly, the increases Sierra Pacific originally sought for small and medium commercial customers of 5.64% to 6.56%, now range from 8.41% to 9.74%.<sup>7</sup>

Sierra Pacific’s Amendment proposes changes to nine different chapters in the company’s testimony: Introduction and Policy, Sales, Customers and Revenues, Operation and Maintenance Expenses, Depreciation Expenses, Tax Expenses, Rate Base, Cost Allocations, Unbundling and Revenue Requirements and Revenue Allocation and Rate Design.<sup>8</sup> Workpapers relating to those areas have been changed as well.<sup>9</sup>

According to the original schedule, DRA’s testimony is due February 11, 2009. Since DRA will not receive corrected responses to its data requests, or the electronic files for the Results of Operations Model, Cost Allocations or Unbundling until January 9<sup>th</sup>, a February 11 due date for testimony is no longer workable.

Moreover, to review and analyze all of the proposed changes in addition to the material in the original Application will increase DRA’s workload at a time when DRA has fewer resources to address it. DRA’s analyst for Production, Transmission, and Distribution Operations and Management Customer Accounts and Energy Efficiency Programs recently passed away. DRA’s analyst for the Results of Operations Model is

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<sup>4</sup> Amendment, p. 2.

<sup>5</sup> Amendment, pp. 2-3.

<sup>6</sup> Amendment, p. 7.

<sup>7</sup> Amendment, p. 7.

<sup>8</sup> Amendment, p. 7.

<sup>9</sup> See Workpapers, Vol. 5, Amended.

currently also assisting the Commission in connection with the GRC of Southern California Edison Company.

The changes Sierra Pacific proposes will increase rates to California ratepayers substantially. For DRA and, ultimately, the Commission to discharge its duties to ratepayers, these increases must be carefully evaluated. DRA, therefore, requests an extension of time to submit its testimony.

**B. Proposed Schedules**

DRA proposes two alternative schedules below. Both could result in final Commission decisions within the 18-month period set forth in Public Utilities Code Section 1701.5.

DRA and Intervenor Testimony Served	March 27, 2009
DRA Cost Allocation and Rate Design Testimony Served	April 10, 2009
Rebuttal Testimony Served	April 24, 2009
Hearings	May 11 - 15, 2009
Opening Briefs Filed	June 12, 2009
Reply Briefs Filed	June 26, 2009
Proposed Decision Issued	September 26, 2009
Final Commission Decision Issued	TBD

or:

DRA and Intervenor Testimony Served	April 3, 2009
DRA Cost Allocation and Rate Design Testimony Served	April 17, 2009
Rebuttal Testimony Served	May 1, 2009
Hearings	May 18 - 22, 2009
Opening Briefs Filed	June 19, 2009
Reply Briefs Filed	July 3, 2009
Proposed Decision Issued	October 3, 2009
Final Commission Decision Issued	TBD

### III. CONCLUSION

For all the foregoing reasons, DRA requests an extension of time to the schedule for this proceeding.

Respectfully submitted,

/s/ Laura Tudisco

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January 2, 2009

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of **MOTION OF THE DIVISION OF RATEPAYER ADVOCATES FOR AN EXTENSION OF TIME** in **A.08-08-004** by using the following service:

**E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

**U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on January 2, 2009 at San Francisco, California.

/s/        ALBERT HILL

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Albert Hill

**N O T I C E**

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