

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



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Order Instituting Rulemaking to Address
Utility Cost and Revenue Issues Associated
with Greenhouse Gas Emissions

Rulemaking 11-03-012
(Filed March 24, 2011)

**REPLY OF PACIFICORP (U 901 E) TO THE PREHEARING CONFERENCE
STATEMENTS REGARDING THE ORDER INSTITUTING RULEMAKING TO
ADDRESS UTILITY COST AND REVENUE ISSUES ASSOCIATED WITH
GREENHOUSE GAS EMISSIONS**

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May 5, 2011

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Pursuant to the Order Instituting Rulemaking issued on March 30, 2011 (OIR), PacifiCorp, d.b.a. Pacific Power (PacifiCorp or Company) respectfully submits its reply to the Prehearing Conference (PHC) Statements of Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E).

The OIR states that “either R.10-05-006 or this proceeding may consider the establishment of guidelines for the utilities’ possible participation in GHG emissions allowance and offset markets.”¹ The prehearing conference statements of PG&E, SCE and SDG&E suggest that the California Public Utilities Commission (CPUC) should provide approval and authority to manage greenhouse gas (GHG) compliance costs solely through the Long Term Procurement Plan (LTPP) proceeding, R.10-05-006.² While the Company does not object to this suggestion as it may apply to the requesting entities, PacifiCorp asks that the authority and cost recovery issues for it be addressed in this docket for the reasons described below.

PacifiCorp does not participate in the AB 57 LTPP process, but nonetheless will require Commission approval of an approach to manage and recover GHG compliance costs. As a multi-jurisdictional utility, PacifiCorp has been granted an exemption from the LTPP process, as provided in Public Utilities Code Sec. 454.5(i):

¹ See OIR at p. 20.

² See PG&E PHC Statement at p. 2; See SCE PHC Statement at p. 3; See SDG&E PHC Statement at p. 2.

An electrical corporation that serves less than 500,000 electric retail customers within the state may file with the commission a request for exemption from this section, which the commission shall grant upon a showing of good cause.

PacifiCorp submitted its exemption request which the Commission approved in D.03-07-011. Thus, PacifiCorp does not participate in the AB 57 LTPP process, but instead utilizes the comprehensive integrated resource planning process applicable for its multi-state territory. It would be administratively inefficient for PacifiCorp, as the state's sole multi-jurisdictional utility, to participate in the LTPP proceeding. Therefore, PacifiCorp asks for the ability to obtain authorization for the purchase and management of GHG allowances through this OIR (R.11-03-012).

SCE and PG&E also urge the CPUC to provide approval for management of GHG costs on an expedited basis.³ PacifiCorp agrees that providing utilities with the authority for managing GHG cost exposure in the near term is important to utility planning efforts, and therefore supports the request for expedited approval.

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Respectfully submitted,

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³ See SCE PHC Statement at p. 8; See PG&E PHC Statement at p. 2.