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02-10-10

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PacifiCorp (U901E), an Oregon Company, for an Order Authorizing a General Rate Increase Effective January 1, 2011.

Application 09-11-015
(Filed November 20, 2009)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on February 4, 2010.

Background

On November 20, 2009, PacifiCorp filed Application (A.) 09-11-015, its *Application for an Order Authorizing a General Rate Increase Effective January 1, 2011* (Application).

¹ All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at http://docs.cpuc.ca.gov/word_pdf/RULES_PRAC_PROC/70731.pdf.

On December 3, 2009, Resolution ALJ-176-3245, confirmed the preliminary determination that this proceeding was ratesetting and that hearings would be necessary.

A protest to the application was filed by the Division of Ratepayer Advocates (DRA) on December 23, 2009. PacifiCorp filed a response to the protest on January 4, 2010.

On February 4, 2010, a prehearing conference took place in San Francisco to establish the service list for the proceeding, to discuss the scope of the proceeding, and to develop a procedural timetable for the management of the proceeding.

Category, Need for Hearing, and *Ex Parte* Rules

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's preliminary categorization. This ruling affirms the preliminary categorization of ratesetting.

At the prehearing conference, Applicants and parties agreed that evidentiary hearings are necessary. Therefore, as noted in the schedule below and in accordance with Rule 7.3(a), today's scoping memo adopts a procedural schedule.

In a ratesetting proceeding, *ex parte* rules as set forth in Rules 8.1, 8.2, 8.3, 8.5 and Pub. Util. Code § 1701.3(c)² apply, until such time as we make a final determination regarding the need for hearings.

² All section references are to the Public Utilities Code.

Discovery

If parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the Commission pursuant to Rule 11.3.

Scope of Proceeding

Through the Application, the protest to the Application, the reply to the protest, and discussions during the prehearing conference, parties conducted an exchange that has helped to refine the scope of the Application.

This proceeding will examine whether the PacifiCorp's proposed rate increase should be authorized, including but not limited to discussion of:

1. The just and reasonable test year revenue requirement for 2011, inclusive of all expenses, capital costs (including but not limited to the Populus to Terminal Transmission Line and the Morrison Creek Distribution Substation), cost of capital, cost allocation method and inputs, and rate design. This includes the costs of all operating or customer-related programs necessary to provide safe and reliable utility service in the test year;
2. Whether the Commission should authorize the continuation of the Post-Test Year Adjustment Mechanism (PTAM) for Major Capital Additions;
3. Whether the Commission should authorize the continuation of the PTAM for Attrition Year Inflation; and
4. Whether the effect of the Klamath Hydroelectric Settlement Agreement (KHSA) should be included or excluded from consideration in this proceeding, and if included, what the effect would be on the results of operations.

Therefore, in their opening and rebuttal testimony, parties should address any issues within the scope of this proceeding on which factual information may be helpful to explain or support their positions.

Proceeding Schedule

After discussion at the prehearing conference, the parties determined that the following schedule best accommodates the diverse interests and prior commitments of the parties and their representatives.

It was also determined that the dates and locations for Public Participation Hearings (PPH) will be set in a separate ruling at a later date, in order to coordinate these hearings with an as yet unfiled PacifiCorp application that will address the impacts of the KHSA, involving the same parties and customers.³ Coordination would reduce the number of PPH’s that applicants, parties, and customers would have to attend, saving them both time and money.

EVENT	DATE
Interested Parties Testimony Served	May 10, 2010
Letter to ALJ and Service List as to whether Applicant and Parties have met to discuss Settlement	May 28, 2010
Applicant’s Rebuttal Testimony Served	June 8, 2010
Hearings Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco, CA 94102	June 15-18, 2010, at 10:00 a.m.
Joint Comparison Exhibit Filed	July 2, 2010
Opening Briefs Filed	July 19, 2010
Reply Briefs Filed	July 28, 2010

³ This application is expected to be filed in March 2010.

<i>Projected Issuance of Proposed Decision</i>	<i>October 2010</i>
<i>Projected Final Commission Decision</i>	<i>November 2010</i>

Consistent with Pub. Util. Code § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of this scoping memo, which is August 12, 2011.

Intervenor Compensation

The prehearing conference in this matter was held on February 4, 2010. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation shall file and serve a notice of intent to claim compensation by March 8, 2010.

Presiding Officer

Pursuant to Rule 13.2, I designate ALJ Seaneen M. Wilson as the Presiding Officer.

Filing, Service, and Service List

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Commission Rules or in response to rulings by either the assigned Commissioner or the assigned ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains all of the Commission's filing requirements. Parties must file and serve all pleadings and serve all testimony, as set forth in Article 1 of the Commission's Rules. Parties are encouraged to file and serve electronically, whenever possible, as it speeds processing of the filings and allows them to be posted on the

Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/puc/efiling>.

This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. Concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: A.09-11-015 - PacifiCorp's General Rate Case Application. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Comments*. Both an electronic and a hard copy should be served on the ALJ.

The official service list for this proceeding is available on the Commission's web page. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at

(866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov.

IT IS RULED that:

1. The issues and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling or order of the Presiding Officer.
2. This proceeding is categorized as ratesetting.
3. This proceeding requires evidentiary hearings.
4. *Ex parte* communications are subject to Rules 8.1, 8.2, 8.3, 8.5 of the Commissions' Rules of Practice and Procedure, and Public Utilities Code Section 1701.3(c).
5. Pursuant to Rule 13.2, Administrative Law Judge Seaneen M. Wilson is the Presiding Officer.

Dated February 10, 2010, at San Francisco, California.

/s/ JOHN A BOHN
John A. Bohn
Assigned Commissioner

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated February 10, 2010, at San Francisco, California.

/s/ LILLIAN LI

Lillian Li

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

***** SERVICE LIST *****

Last Updated on 09-FEB-2010 by: JVG
A0911015 LIST

***** PARTIES *****

Karen Norene Mills
Attorney At Law
CALIFORNIA FARM BUREAU FEDERATION
2300 RIVER PLAZA DRIVE
SACRAMENTO CA 95833
(916) 561-5655
kmills@cbbf.com
For: California Farm Bureau Federation

Michael B. Day
Attorney At Law
GOODIN MACBRIDE SQUERI DAY & LAMPREYLLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO CA 94111-3133
(415) 392-7900
mday@gmssr.com
For: Pacificorp

Cleveland Lee
Legal Division
RM. 5122
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1792
cwl@cpuc.ca.gov
For: DRA

***** STATE EMPLOYEE *****

Maryam Ghadessi
Energy Division
AREA 4-A
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1191
mmg@cpuc.ca.gov

Donald J. Lafrenz
Energy Division
AREA 4-A
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1063
dlf@cpuc.ca.gov

Elaine Chan Lau
Energy Division
AREA 4-A
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-5621
ec2@cpuc.ca.gov

Sean Wilson
Administrative Law Judge Division
RM. 5103
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1525
smw@cpuc.ca.gov

James R. Wuehler
Division of Ratepayer Advocates
RM. 4208
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-1667
jrw@cpuc.ca.gov

***** INFORMATION ONLY *****

CALIFORNIA ENERGY MARKETS
425 DIVISADERO ST., SUITE 303
SAN FRANCISCO CA 94117
(415) 963-4439
cem@newsdata.com

William F. Dietrich
Attorney At Law
DIETRICH LAW
2977 YGNACIO VALLEY ROAD, NO. 613
WALNUT CREEK CA 94598-3535
(415) 297-2356
dietrichlaw2@earthlink.net

Wendy L. Illingworth
ECONOMIC INSIGHTS
320 FEATHER LANE
SANTA CRUZ CA 95060
(831) 427-2163
wendy@econinsights.com

Data Request Response Center
PACIFICORP
825 NE MULNOAMAH, SUITE 2000
PORTLAND OR 97232
datarequest@pacificorp.com

Andrea L. Kelly
Vice-President, Regulation
PACIFICORP
825 NE MULTNOMAH, SUITE 2000
PORTLAND OR 97232
(503) 813-6043
andrea.kelly@pacificorp.com

***** SERVICE LIST *****

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Jordan A. White
Senior Attorney
PACIFICORP
1407 W. NORTH TEMPLE, SUITE 320
SALT LAKE CITY UT 84116
jordan.white@pacificorp.com

Mark Tucker
PACIFICORP
825 NE MULTNOMAH, SUITE 2000
PORTLAND OR 97232
(503) 813-5269
Mark.Tucker@PacifiCorp.com
For: PacifiCorp
