



FILED

08-11-10
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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,
to Recover Costs Recorded in the
Catastrophic Event Memorandum
Account.

Application 10-05-009
(Filed May 7, 2010)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure, this scoping memo and ruling sets forth the category, scope, and schedule of the proceeding. This ruling, only as to category, is appealable under the procedures in Rule 7.6.

1. Background

PacifiCorp filed Application (A.) 10-05-009 on May 7, 2010 under its Catastrophic Event Memorandum Account (CEMA) to recover incremental expenses and capital-related costs incurred in responding to the winter snow storms that occurred in PacifiCorp's northern California service territory in January 2010. PacifiCorp seeks to recover \$1.36 million in revenue requirement associated with \$3.63 million of CEMA-eligible costs, and only those costs not recovered from insurance and properly allocated to California customers. PacifiCorp proposes to amortize the CEMA costs in rates for one year beginning January 1, 2011. The average net increase to ratepayers is estimated to be about 1.6%, apportioned by class based on a pro rata share of distribution revenues. In

addition, PacifiCorp proposed a procedural schedule leading to a Commission decision in November 2010.¹

On June 11, 2010, the Division of Ratepayer Advocates (DRA) filed a protest in which it stated its intent to review the underlying facts of the application, including the sufficiency of the disaster declarations, whether the recorded costs were related to CEMA-eligible events, whether the costs were properly allocated to California ratepayers, and whether the recorded costs are reasonable. PacifiCorp replied to the protest with notice that DRA had commenced its on-site audit on June 24, 2010.

On August 5, 2010, a pre-hearing conference (PHC) was held in San Francisco to address the issues concerning the management of this proceeding, including the active settlement discussions, as well as alternative proposals concerning the scheduling of the proceeding.

2. Scoping Memo

The scope of the proceeding includes the issues presented in the application and DRA's protest. These include:

1. Are the \$3.63 million in costs incurred in responding to the January 2010 winter storms, which are recorded in PacifiCorp's CEMA, properly recoverable under Section 454.9 of the Public Utilities Code and Resolution E-3238;
2. Should PacifiCorp be authorized to recover \$1.36 million in electric revenue requirements for the time span of January 19, 2010 through March 31, 2010 for costs incurred in connection with the January 2010 winter storms; and

¹ Application of PacifiCorp at 7.

3. Should such amounts be recovered, effective January 1, 2011, by amortizing the CEMA costs in rates for one year, apportioned by class based on pro rata share of distribution revenues.

3. Schedule

At the PHC, Pacificorp and DRA, the only parties in the proceeding, stated they believed that settlement of all issues was a real possibility and asked that a hearing schedule be initially deferred. DRA said it had completed its audit of the CEMA expenses, PacifiCorp had been fully cooperative, and DRA's questions had been answered. PacifiCorp stated it intended to promptly notice a settlement conference pursuant to Rule 12.1(b) of the Commission's Rules of Practice and Procedure, and filed and served the Notice after the close of business on August 5, 2010.

Therefore, the parties jointly asked, and we agree, to set a deadline of September 10, 2010 by which the parties must file a Joint Motion to Adopt Settlement Agreement. If such a motion is not filed by that date, we will issue an amended Scoping Memo which adds a complete proceeding schedule that includes dates for serving testimony, evidentiary hearings, and filing post-hearing briefs.

4. Category of Proceeding and Need for Hearing

This ruling confirms the Commission's preliminary determination that this proceeding is a ratesetting proceeding and that hearings may be necessary. (Resolution ALJ 176-3254).

5. Settlements

Any settlements between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and

complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Presiding Officer

Administrative Law Judge Melanie M. Darling is hereby designated as the presiding officer pursuant to Rule 13.2.

7. Final Oral Argument

Pursuant to Rule 13.13, any requests for a final oral argument before the Commission must be filed and served at the same time as Opening Briefs.

8. Ex Parte Rules

Parties shall observe and comply with the applicable *ex parte* communications rules set forth in Rules 8.2 – 8.3.

9. Filing and Service

The electronic service protocols adopted by the Commission in Rule 1.10 of the Commission's Rules of Practice and Procedure will be followed 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 email address. If no email address was provided, service should be made by United States mail. In this proceeding, we require concurrent e-mail service to ALL persons on the service list for whom an email address is available, including those listed under "Information Only." Parties are expected to provide paper copies of served documents upon request.

Therefore, **IT IS RULED** that:

1. The Commission's preliminary finding in Resolution ALJ 176-3254 that the category for this proceeding is ratesetting and that limited hearings may be necessary is confirmed.
2. The *ex parte* rules as set forth in Rules 8.2 and 8.3 and Pub. Util. Code § 1701.3(c) apply in this proceeding.
3. Administrative Law Judge Darling is the presiding officer as set forth in Section 6 of this Ruling.
4. The scope of this proceeding is as set forth in Section 2 of this Ruling.
5. The schedule of this proceeding is as set forth in Section 3 of this Ruling.
6. Any requests for a final oral argument before the Commission must be filed and served at the same time as Opening Briefs as set forth in Section 7 of this Ruling.
7. Parties should serve all filings as set forth in Section 9 of this Ruling
Dated August 11, 2010, at San Francisco, California.

 /s/ NANCY E. RYAN

Nancy E. Ryan
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 August 11, 2010, at San Francisco, California.

/s/ GLADYS M. DINGLASAN
Gladys M. Dinglasan

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.