

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

In the Matter of the Application of Sierra Pacific Power Company (U903) for an Order Authorizing an Immediate Interim Rate Increase, subject to Refund and for Consideration of a Rate Stabilization Plan.

Application 01-06-041  
(U 903 E)

**ADMINISTRATIVE LAW JUDGE'S RULING  
RE AMENDING THE APPLICATION**

I have reviewed the application and prepared testimony in the light of Decision (D.) 01-01-018 (the one-cent surcharge on PG&E's and SCE's rates) and D.01-03-082 (the three-cent surcharge on PG&E's and SCE's rates.) After review of Sierra Pacific Power Company's (Sierra) application, I find that Sierra has not made a prima facie case for an interim rate increase.

Sierra's testimony is that its California load is approximately 5% of its total load (Chapter 1, p. 5) and that it will lose money on its California operations in 2001 (Table 3-1.) But, considering the financial status of the entire utility, I see no emergency within the meaning of D.01-01-018. Sierra is able to provide adequate service to its California customers under present rates. Sierra's California rates are currently subject to the AB 1890 rate freeze. Its request for a two-cent per kwh surcharge would be in derogation of the rate freeze and could only be implemented by a showing of "extraordinary circumstances requiring urgent Commission action" (D.01-01-018, Finding of Fact 14).

Although, absent the rate freeze, I believe Sierra has made a prima facie case for an interim increase, under the circumstances I do not want the parties preparing for a hearing where the relief will be denied. In Sierra's application, it states it is preparing a general rate case application, which will reflect a 10% increase on April 1, 2002 resulting from termination of the rate freeze. Any interim rate increase for its California operations prior to April 1, 2002, will have to be based, in my opinion, on a showing that the rate freeze has ended for Sierra.

Sierra's position is similar to PacifiCorp's in Application 01-03-026. In that application, PacifiCorp sought an immediate interim rate increase. The Assigned Commissioner's Ruling of May 16, 2001 said one issue was, "Has the rate freeze ended for PacifiCorp, under the requirements of Pub. Util. Code §§ 367 and 368, and the applicable Commission decisions?" I believe Sierra has exactly the same burden to meet and there is no evidence on the record to make an appropriate finding.

Now, therefore, **IT IS RULED** that Sierra Pacific Power Company may file by October 26, 2001 an amendment to its application showing that the rate freeze has ended for it. Failing to make a prima facie showing, I will recommend dismissal of the application.

Dated September 27, 2001, at San Francisco, California.

/s/ ROBERT BARNETT

Robert Barnett  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Re Amending the Application on all parties of record in this proceeding or their attorneys of record.

Dated September 27, 2001, at San Francisco, California.

/s/ JACQUELINE GORZOCH  
Jacqueline Gorzoch

**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 insure 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, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.