

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

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Avista Corporation )  
The Bonneville Power Administration )  
Idaho Power Company )  
The Montana Power Company )  
Nevada Power Company )  
PacifiCorp )  
Portland General Electric Company )  
Puget Sound Energy, Inc. )  
Sierra Pacific Power Company )

Docket No. RT01-35-000

AMENDED INTERVENTION AND COMMENTS OF THE  
NEVADA ATTORNEY GENERAL'S  
BUREAU OF CONSUMER PROTECTION

Pursuant to Rules 214 and 215 of the Commission's Rules of Practice and Procedure, the Nevada Attorney General's Bureau of Consumer Protection ("BCP") respectfully moves to amend and supplement its Intervention filed on November 3, 2000 with the following comments.

**I. BASIS FOR INTERVENTION**

The BCP operates within the Attorney General's Office pursuant to Nevada Revised Statute 228.310 and may represent the interests of Nevada utility consumers before this Commission pursuant to Nevada Revised Statute 228.360.

This proceeding involves a joint Compliance Filing and Petition for Declaratory Order related to Order No. 2000. This filing is a proposal by the above-captioned utilities ("Filing Utilities") for formation of an Independent Transmission Company ("ITC") that will own and operate the interstate transmission assets presently owned and operated by each of the applicants. The newly formed ITC will in turn participate as a transmission owner within RTO West, a regional transmission organization that plans to operate in the

western United States. Two of the proposed members of the ITC are Nevada's largest utilities, Sierra Pacific Power Company ("Sierra") and Nevada Power Company ("Nevada Power"). The BCP seeks intervention in this matter in order to carry out its obligation to represent Nevada ratepayers' interest in relation to this application.

The following persons should be included on the official service list in this proceeding, and all communications concerning this motion should be addressed to the following persons:

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## II. COMMENTS ON THE FILING

The BCP has an interest in this proceeding to the extent that the scope and configuration of the proposed RTO will impact Nevada's utility customers. For example, the BCP questions the wisdom of including Nevada Power, Nevada's southern electric utility, in the RTO West group. Except for one 300 MW intertie with PacificCorp in southwestern Utah, Nevada Power has no other direct electrical connections with the RTO West utilities. All of Nevada Power's other interconnections, which approximate 2000 MW of capacity import capability, are with entities in the Desert Southwest group and California. Moreover, the majority of Nevada Power's

power purchases are from the Desert Southwest and include reserve-sharing arrangements with entities from that region. The ratepayers in southern Nevada may be subject to pancaked rates if Nevada Power becomes a member of RTO West and continues to import its power from another RTO. From an interconnection and commercial perspective, Nevada Power does not appear to be a logical member of the RTO West group.

Further, the RTO West proposal includes a requirement that a participant in the RTO make transfer payments in the event that a participant withdraws to join a different RTO. The BCP believes that this requirement is inappropriate and unduly discriminates against the Nevada Utilities, especially Nevada Power, because ultimately Nevada Power may need to choose to participate in another RTO.

The BCP also has concerns regarding the RTO pricing proposal. The current proposal would not impose import or export charges, nor would it allow any transfer payments among the filing utilities to recapture the lost revenue that will occur from the elimination of such charges. Nevada Power (and to a lesser extent Sierra) will likely experience a significant cost shift and lost revenues due to the elimination of import and export fees, especially given that both utilities are in the process of divesting their generation assets pursuant to orders of the Nevada Public Utilities Commission. The BCP is concerned that this scenario may unfairly burden ratepayers with the cost of additional transmission facilities required to export power from Nevada to California and other Southwest entities.

Finally, the BCP is concerned about the scope of the relief sought by the Filing Utilities. For example, only three of the Filing Utilities are requesting a ruling on the

proposed transmission operating agreement. The BCP believes that it would be premature for the Commission to issue a declaratory ruling on the transmission operating agreement, or on any other issue for which the Filing Utilities have yet to achieve consensus.

Respectfully submitted,

*Eric Witkoski / on rem*

Tim Hay, Consumer Advocate,  
Chief Deputy Attorney General  
Eric Witkoski, Deputy Attorney General

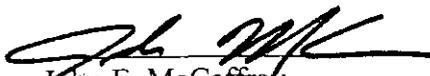
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Its Attorneys

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing documents by first class mail upon each party on the official service list compiled by the Secretary in this proceeding.

Dated at Washington D.C. this 20<sup>th</sup> day of November 2000.

  
John E. McCaffrey