

**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 Approving Its 2007 and 2008 Low
Income Energy Efficiency (“LIEE”) and
California Alternate Rates for Energy
(“CARE”) Plans and Budgets.

Application 06-06-009
(Filed June 1, 2006)

REPLY OF SIERRA PACIFIC POWER COMPANY (U903)
TO RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES
TO SIERRA PACIFIC POWER COMPANY’S APPLICATION
FOR APPROVAL OF ITS 2007 AND 2008 LOW-INCOME ENERGY
ASSISTANCE PROGRAMS AND FUNDING

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Pursuant to Rule 44.6 of the Commission’s Rules of Practice and Procedure, Sierra Pacific Power Company (Sierra) submits this Reply to the Response of the Division of Ratepayer Advocates (DRA) in regard to Sierra’s application for approval of the Program Year (PY) 2007 & 2008 California Alternate Rates for Energy (CARE) and Low Income Energy Efficiency (LIEE) low-income assistance programs and budgets.

I. CARE PROGRAM

DRA Response: Cost and labor expenses for Self-Certification Process should be tracked and reported for both program years 2007 and 2008.

A. DRA recommends that Sierra explain if it intends to track new Self-Certification costs for recovery in future years.

As DRA correctly states, Sierra has not incurred any additional labor costs for self-certification, as no additional employees were hired to assist with the process since it was implemented in November 2005. As directed in D.05-07-014, the new self-certification bill

inserts replaced those mailed to customers two times a year and the cost was roughly the same. As a result, Sierra has not included any additional costs for self-certification in this application.

B. DRA recommends that the new costs incurred in 2007 and 2008 for self-certification process be tracked for future review and recovery in rates.

Sierra will track any new costs incurred for the self-certification process during 2007 and 2008.

DRA Response: New efforts to enroll new customers need to be developed and implemented because Sierra Pacific will not continue data sharing with Southwest Gas due the difference of income guidelines eligibility between both utilities.

A. DRA recommends that Sierra find new outreach strategies or augment existing strategies and target customers that are hard to reach.

Sierra's personnel has devoted most of its time since the middle of 2005 to setting up the self-certification process. In addition, we continue to work on the random verification portion of the process. Sierra is willing to review new outreach strategies. For example, we have discussed mailing postcards to customers describing the CARE program and providing CARE self-certification materials to mobile home parks managers to distribute to their tenants.

Since PacifiCorp recently implemented self-certification, we have discussed our respective programs several times. We plan to continue discussions and will explore ideas to increase CARE participation.

B. DRA recommends that Sierra explore the possibility of implementing enrollment of new customers by phone.

Sierra is willing to explore enrolling new CARE customers by phone.

II. LIEE PROGRAM

DRA Response: Even though Sierra provides low-income customers with information and education on the LIEE Program, Sierra's outreach efforts need to be improved.

A. DRA recommends Sierra provide an expanded explanation of its outreach activities and indicate if DRA's understanding is correct.

In addition to DRA's description of Sierra's outreach activities in its Response, Sierra participates in one home show and safety expo each year in North and South Lake Tahoe where LIEE information is distributed. Sierra's outreach is often combined with education. Recently, Sierra and Southwest Gas Corporation partnered to create a 19-page booklet titled, "LIEE Program and Weatherization Guide." The guide gives customers an overview of the weatherization process, how it works, energy saving tips and contact information. The booklet will be on file and available at Sierra's district office, as well as the home show and safety expo. Sierra's proposed annual budget for 2007 and 2008 outreach and education is \$6,000. Sierra is willing to look to other outreach methods; however, newspaper, radio and television advertisement is expensive and would increase our proposed annual 2007 and 2008 budget of \$110,000 dramatically.

Sierra appreciates DRA's constructive comments and recommendations on its application for approval of its PY 2007 and 2008 Low Income Assistance Program Budgets. Sierra is pleased to continue its collaboration with the Commission to improve these programs.

Dated: July 24, 2006

Respectfully submitted,

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Certificate of Service

I hereby certify that I have this day served a copy of “Reply Of Sierra Pacific Power Company (U903) To Response Of The Division Of Ratepayer Advocates To Sierra Pacific Power Company’s Application For Approval Of Its 2007 And 2008 Low-Income Energy Assistance Programs And Funding” on all known parties to R.04-01-006 by transmitting an e-mail message with the document attached to each party named in the official service list. Parties without e-mail addresses were mailed a properly addressed copy by first-class mail with postage prepaid.

Executed on July 24, 2006 at Sacramento, California

Eric Janssen

R.04-01-006
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July 24, 2006

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