

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Rulemaking to consider amending NAC 704.660 and)
704.662 to allow the Commission more flexibility in)
considering cost-of-service studies in advance of Nevada) Docket No. 19-12026
Power Company d/b/a NV Energy's 2020 general rate)
case.)
_____)

**NOTICE OF INTENT TO ACT UPON A REGULATION,
NOTICE OF WORKSHOP, AND NOTICE OF HEARING FOR THE ADOPTION,
AMENDMENT AND REPEAL OF REGULATIONS OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

On December 26, 2019, the Public Utilities Commission of Nevada ("Commission") opened a rulemaking docket, designated as Docket No. 19-12026, to consider amending Nevada Administrative Code ("NAC") 704.660 and 704.662 to allow the Commission more flexibility in considering cost-of-service studies in advance of Nevada Power Company d/b/a NV Energy's 2020 general rate case

This matter is being conducted pursuant to the Nevada Revised Statutes ("NRS") and the NAC, Chapters 233B, 703, and 704.

NOTICE IS HEREBY GIVEN that the Commission will hold a public WORKSHOP pursuant to NRS 233B.061(2) to be held as follows:

**TUESDAY, AUGUST 11, 2020,
10:00 a.m.
VIA
MICROSOFT TEAMS**

The purpose of the workshop is to solicit comments from all interested persons on the proposed regulation regarding the amendment of NAC 704.660 and 704.662 to allow the Commission more flexibility in considering cost-of-service studies. A period will be provided for comments by the general public and discussion of those comments. Public comments may be

limited to two (2) minutes per person at the discretion of the Presiding Officer. Stakeholders who wish to participate in this workshop should provide the email addresses for each member of their organization who intends to participate via Microsoft Teams to Commission Administrative Attorney Krishna Prasad at kprasad@puc.nv.gov no later than August 4, 2020, at 2:00 p.m.

NOTICE IS HEREBY GIVEN that the Commission will hold a public HEARING pursuant to NRS 233B.061(3) to be held as follows:

WEDNESDAY, AUGUST 12, 2020,
1:00 p.m.
VIA
MICROSOFT TEAMS

The purpose of the hearing is to receive comments from all interested persons on the proposed regulation regarding the amendment of NAC 704.660 and 704.662 to allow the Commission more flexibility in considering cost-of-service studies. A period will be provided for comments by the general public and discussion of those comments. Public comments may be limited to two (2) minutes per person at the discretion of the Presiding Officer. If no person who is directly affected by the proposed regulation appears at the hearing to request time to make an oral presentation, the Commission may proceed to act upon any written submissions.

Stakeholders who wish to participate in this hearing should provide the email addresses for each member of their organization who intends to participate via Microsoft Teams to Commission Administrative Attorney Krishna Prasad at kprasad@puc.nv.gov no later than August, 5, 2020, at 2:00 p.m.

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The following information is provided pursuant to the requirements of NRS 233B.0603:

The proposed regulation is intended to allow the Commission to have more flexibility in considering what cost-of-service study to use for the purpose of setting rates in a general rate case filed by a public utility pursuant to NRS 704.110(3)(a) and NRS 704.110(3)(b).

The proposed regulation is expected to have no adverse or beneficial immediate or long-term economic effects on the businesses that it is to regulate.

The proposed regulation is expected to have no adverse or beneficial immediate or long-term economic effects on the public.

The Commission uses the simplified Delphi method in determining the impact on small businesses, whereby experts review the text of the proposed regulation and determine the likely impact of the proposed regulation on small businesses. These experts share their responses with each other and form a consensus view.

The proposed regulation should not cause additional cost to the Commission for the enforcement of the proposed regulation.

The proposed regulation does not overlap or duplicate any state or local regulations.

The proposed regulation is not required pursuant to federal law.

The proposed regulation is not more stringent than a federal regulation that regulates the same activity.

The proposed regulation does not establish any new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Commission may appear at the scheduled workshop and hearing remotely via Microsoft Teams by providing their name and email address to Commission Administrative Attorney Krishna Prasad at kprasad@puc.nv.gov no later than August, 5, 2020, at 2:00 p.m., or telephonically by dialing 775-687-6014

approximately five minutes before the beginning of the workshop and hearing. Persons wishing to comment upon the proposed action of the Commission may also address their comments, data, views, or arguments in written form to the Commission at BPA@puc.nv.gov on or before WEDNESDAY, AUGUST 5, 2020. Written comments should include proposed revisions, if any, to the proposed regulation.

A copy of this notice and the proposed regulation to be adopted, amended, or repealed is available for public viewing on the Commission's website: <http://puc.nv.gov>. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the Commission, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or incorporate therein its reason for overruling the consideration urged against its adoption.

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Pursuant to NRS 233B.060(1), the Presiding Officer in this matter anticipates placing the proposed regulation on a Commission Agenda no earlier than August 26, 2020, for the Commission's consideration as to whether to adopt the regulation as permanent.

By the Commission,

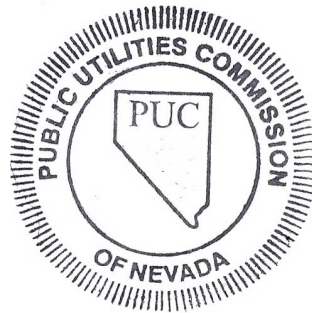


TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

7/2/20

(SEAL)



**REVISED PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R020-20

June 26, 2020

EXPLANATION—Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1 and 2, NRS 703.025 and 704.210.

A REGULATION relating to electric utilities; revising provisions governing the calculation of the revenue required to be collected by certain electric utilities from each customer class and the rates to be charged to each customer class; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing regulations require the Public Utilities Commission of Nevada to consider certain electric utilities' marginal (incremental) cost of service to each class of customer in determining the revenue required from that class and require the rates charged by an electric utility to customers of a particular class to reflect the marginal (incremental) cost of serving that class. (NAC 704.660, 704.662) **Sections 1 and 2** of this regulation revise these provisions to authorize, but not require, the Commission to consider the marginal (incremental) cost of service to each class of customer in determining the revenue required from that class and in designing the rates charged to a particular class.

Section 1. NAC 704.660 is hereby amended to read as follows:

704.660 The Commission ~~[will]~~ *may* consider a utility's marginal (incremental) cost of service to each class of customer in determining the revenue required from that class.

Sec. 2. NAC 704.662 is hereby amended to read as follows:

704.662 1. The rates charged by the utility for supplying *or delivering* electricity to customers of a particular class ~~[must]~~ *may* reflect the marginal (incremental) cost of serving that class, including any seasonal or hourly differences in the cost of the service, unless the Commission determines, in a proceeding to establish or change the rate, that:

(a) In the case of a proposed rate which reflects seasonal differences in the cost of service:

(1) Those differences are so insignificant that application of the rate would not result in conservation of electric energy or efficient use of facilities and resources; or

(2) Application of the proposed rate would unreasonably affect the utility's financial condition.

(b) In the case of a proposed rate which would reflect hourly differences in the cost of service, the cost of providing meters capable of registering the use of electricity during the particular hours when a particular charge for that use is in effect would be greater than the benefits of conservation of electric energy and efficient use of facilities and resources which would be obtained from use of the proposed rate.

(c) In any case:

(1) The rate would not be equitable; or

(2) The expected level of understanding or acceptance of the rate by the customers of the class to which the rate would apply is such that the rate would not likely serve the purpose of this regulation.

2. ~~[In developing a rate which will reflect the costs described in subsection 1, the]~~ *The* utility may group hours of the day, during which the costs of service are of similar magnitude, into two or more daily periods in order to prevent confusion.

3. If the utility will incur a net loss of revenue as a result of instituting a rate which reflects the seasonal variations in the cost of service, the utility may apply to the Commission for authority to change its rates in order to obtain expedited recovery of the loss.