

REVIEW OF THE PERFORMANCE
OF THE OFFICE
OF THE
CONSUMER'S ADVOCATE



Bulletin No. 89-11

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

DECEMBER 1988

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THE CONSUMER'S ADVOCATE

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TABLE OF CONTENTS

	<u>Page</u>
<u>Nevada Revised Statutes 228.400</u>	iii
Letter Of Transmittal.....	v
Summary Of Recommendations.....	vii
Report To The 65th Session Of The Nevada Legislature By The Nevada Legislature's Committee To Review The Performance Of The Office Of The Consumer's Advocate..	1
I. Introduction.....	1
II. Overview Of Committee Hearings.....	1
A. First Hearing.....	2
B. Second Hearing.....	2
III. Findings And Recommendations.....	3
A. Expand The Scope Of The Oversight Committee.....	3
B. Other Discussion.....	3
IV. List Of Other Written Submittals.....	5
V. Credits.....	7
VI. Appendices.....	9
Appendix A Report From The Office Of Advocate For Customers Of Public Utilities To The Nevada Legislature's Committee To Review The Performance Of The Office Of Consumer's Advocate.....	11
Appendix B Suggested Legislation.....	29

NEVADA REVISED STATUTES

228.400 Interim legislative committee to review performance of office of consumer's advocate.

1. There is hereby created an interim committee of the legislature to review the performance of the office of the consumer's advocate.

2. The committee consists of:

(a) Two members of the senate from the majority political party, designated by the majority leader of the senate;

(b) One member of the senate from the minority political party, designated by the minority leader of the senate;

(c) Three members of the assembly from the majority political party, designated by the speaker of the assembly; and

(d) Two members of the assembly from the minority political party, designated by the minority leader of the assembly

3. The members from the assembly shall select a chairman from among their number to serve for the period ending with the convening of each even-numbered regular session of the legislature. The members from the senate shall select a chairman from among their number to serve during the next legislative interim, and the chairmanship alternates between the houses of the legislature according to this pattern.

4. The committee exists only when the legislature is not in regular or special session. The committee shall meet at the call of the chairman to review and evaluate the effectiveness and functioning of the office of the consumer's advocate. It may make recommendations to the consumer's advocate, the attorney general, the public service commission of Nevada, the legislative commission, the interim finance committee and the legislature.

5. The director of the legislative counsel bureau shall provide a secretary for the committee. Each member of the committee is entitled to receive out of the legislative fund a salary for each day or portion of a day in attendance at a meeting of the committee, in an amount equal to the salary established for members of the legislative commission, and the per diem allowance and travel expenses provided for state officers and employees generally.

(Added to NRS by 1981, 1676; A 1985, 402, 1121; 1987, 705)

TO THE MEMBERS OF THE 65TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Nevada Revised Statutes (NRS) 228.400 (Assembly Bill 473, chapter 692, Statutes of Nevada, 1981) which created an interim committee to review the performance of the office of consumer's advocate.

The committee has attempted in this report to present its findings and recommendations in a concise form. In addition to the information summarized in the report, a great deal of testimony and supporting information was received by the committee. This information became part of the minutes of the committee, which are on file in the research library of the legislative counsel bureau and are available for review.

Legislative counsel bureau staff services for the committee were provided by Kenneth C. Elverum of the research division (principal staff), Tim Chandler of the legal division (legal counsel), and Debby Richards of the research division (committee secretary).

This report is transmitted to the members of the 1989 legislature for their consideration and appropriate action.

Respectfully submitted,

Nevada Legislature's
Committee to Review the
Performance of the Office
of Consumer's Advocate

Carson City, Nevada
December 1988

COMMITTEE MEMBERS

Senator Bill R. O'Donnell, Chairman

Senator Joe Neal
Senator Ann O'Connell

Assemblyman Eileen B. Brookman
Assemblyman Bob L. Kerns
Assemblyman John W. Marvel
Assemblyman Leonard V. Nevin
Assemblyman Robert E. Price

SUMMARY OF RECOMMENDATIONS

This summary presents the recommendations to the 65th session of the Nevada legislature by the committee to review the performance of the office of the consumer's advocate.

The committee recommends:

That Nevada Revised Statutes be amended to expand the scope of the Nevada legislature's committee to review the performance of the office of the consumer's advocate to include oversight of the public service commission of Nevada. (BDR 17-1505)

REPORT TO THE 65TH SESSION OF THE NEVADA LEGISLATURE
BY THE NEVADA LEGISLATURE'S COMMITTEE TO REVIEW
THE PERFORMANCE OF THE OFFICE OF
THE CONSUMER'S ADVOCATE

I. INTRODUCTION

The 1981 Nevada legislature enacted Assembly Bill 473 (chapter 692) which created the office of advocate for customers of public utilities, also referred to as the office of consumer's advocate (OCA). The OCA has the authority to represent the public interest and groups of utility customers in any proceedings related to public utilities except common and contract motor carriers, cooperative utilities and railroads.

Section 12 of Assembly Bill 473 from the 1981 session, which became Nevada Revised Statutes (NRS) 228.400, provides for an interim legislative committee to review the performance of the OCA. The committee specifically is mandated to review and evaluate the effectiveness and functioning of the OCA. The committee may make recommendations to the consumer's advocate, the attorney general, the public service commission of Nevada (PSCN), the legislative commission, the interim finance committee and the legislature.

This bulletin is the fourth interim report of the committee. The first report (Legislative Counsel Bureau Bulletin No. 83-12) was submitted to the 62nd session of the Nevada legislature and dated December 1982. The second report (Legislative Counsel Bureau Bulletin No. 85-11) was dated August 1984 and was submitted to the 63rd session of the legislature. The third report (Legislative Counsel Bureau Bulletin No. 87-19) was dated August 1986 and was submitted to the 64th session of the legislature.

II. OVERVIEW OF COMMITTEE HEARINGS

The legislative oversight committee conducted two hearings in 1988. The first hearing was held in Las Vegas, Nevada, on August 9, 1988. The second hearing was held in Carson City, Nevada, on November 16, 1988.

During these hearings, the committee heard presentations and testimony from the attorney general, the consumer's advocate, the chairman of the PSCN, private citizens and representatives of various public utilities and utility

customers. The committee received written information and letters from Nevada Power Company, Sierra Pacific Power Company and Sierra Pacific Resources.

A. FIRST HEARING

During the first public hearing in Las Vegas, the committee received a report from the attorney general concerning the office of consumer's advocate which included an overview of the OCA's activities since January 1, 1987, and information on caseload and ratepayer savings. During that period, the OCA claimed a "direct" savings of more than \$10.7 million and a "shared" savings of "well over" \$55 million for utility customers. The OCA indicated an expense benefit ratio of 17 to 1 for direct savings. In other words, consumers saved more than \$17 in utility bills for every \$1 ratepayers spent to support the OCA.

The report concluded by highlighting other related activities of the OCA during 1987-1988. These activities included investigating the earnings levels of Nevada's major electric and telephone utilities, examining the appropriateness of Sierra Pacific Power Company's decision to construct a new general office building, and reviewing the resource planning efforts of Nevada Power Company and Sierra Pacific Power Company. The written report from the OCA is provided in Appendix A.

The committee reviewed with the attorney general a number of issues with regard to the office of consumer's advocate, including: (1) the agency's involvement in lawsuits; (2) the determination of direct and shared savings figures; (3) the OCA's relationship with the PSCN; and (4) the continued necessity of the legislative oversight committee.

Several representatives from the general public praised and spoke in support of the OCA. Most were of the opinion that the OCA had proven itself and that the interim legislative committee to review its effectiveness is no longer necessary. There was considerable discussion concerning the possible duplication of services provided by the OCA and PSCN.

B. SECOND HEARING

During the second public hearing in Carson City, the committee heard testimony from the chairman of the PSCN and one of its members concerning the differences in operations and responsibilities between the OCA and the PSCN and its staff. The consumer's advocate also responded to a series

of questions by members of the committee concerning the relationship between the OCA and the PSCN as well as the attorney general.

The committee reviewed documents submitted by Nevada Power Company and Sierra Pacific Power Company concerning the cost of regulation by the OCA and other state mandates. Although the committee learned that employee time and paperwork has increased to meet information requests from the OCA and PSCN, it is not possible to separate out these costs by source. The committee concluded the hearing with a review and a discussion of the suggestions presented by various persons during its hearings.

III. FINDINGS AND RECOMMENDATIONS

The committee received several suggestions relating to its review and evaluation of the effectiveness and functioning of the OCA. The committee adopted one of these suggestions as a recommendation. This recommendation requires a change in existing law.

A. EXPAND THE SCOPE OF THE OVERSIGHT COMMITTEE

During the course of its meetings, the committee heard considerable testimony that there is an overlap in responsibilities between the OCA and the PSCN, particularly with regard to staff activities. The committee concluded that, while the two agencies are different and each is vital to the state in its own way, the relationship between them is so close that it is impossible to determine the effectiveness of the OCA without also looking at the PSCN at the same time.

The committee, therefore, recommends:

That Nevada Revised Statutes be amended to expand the scope of the Nevada legislature's committee to review the performance of the office of the consumer's advocate to include oversight of the public service commission of Nevada. (BDR 17-1505)

B. OTHER DISCUSSION

During the committee's hearings, several members of the committee and the general public questioned the need for continued oversight of the effectiveness and functioning of the OCA by a separate legislative committee. They argued that the OCA is now a proven and established governmental function and is saving taxpayers millions of dollars each

year. They believed that adequate oversight of the OCA is provided by budget reviews during the regular legislative session. In addition, as with other state agencies, an interim study of the OCA could be conducted at any time under the direction of the legislature or the legislative commission.

Others argued that it is useful to have a separate review of the OCA and that the legislative session is too hectic a time to adequately review the OCA and related PSCN activities.

The majority of the committee concluded that there is a need to provide continued oversight of the OCA and PSCN by a special legislative committee. As a result, no action was taken concerning this issue.

IV. LIST OF OTHER WRITTEN SUBMITTALS

The following list identifies additional written submittals to the Nevada legislature's committee to review the performance of the office of consumer's advocate. These documents became part of the minutes of the committee hearings on August 9, 1988, and November 16, 1988. They are available for review at the research library of the legislative counsel bureau.

1. "Statement On The Performance Of The Office Of Consumer's Advocate For Customers Of Public Utilities," submitted by Stan Warren, Sierra Pacific Resources, August 1988.
2. A letter from Keith Ashworth, Nevada Power Company, dated September 19, 1988.
3. A letter from the Utility Shareholders Association of Nevada, Inc., dated November 7, 1988 (Sierra Pacific Power Company).

V. CREDITS

The following is a listing of the names of persons who appeared before the subcommittee:

Keith Ashworth
Manager Community Affairs
Nevada Power Company
Las Vegas, Nevada

Thelma Clark
Vice President
Mobilehome Owner's League of the Silver State, Inc.
Las Vegas, Nevada

George Coffey
American Association of Retired Persons
Reno, Nevada

Scott M. Craigie
Chairman
Public Service Commission of Nevada
Carson City, Nevada

Vickie Demas
President
Mobilehome Owner's League of the Silver State, Inc.
Las Vegas, Nevada

Elizabeth Elliot
Staff Counsel
Office of Advocate for Customers of Public Utilities
Reno, Nevada

Bernie Fishel
Utility Shareholders Association of Nevada
Las Vegas, Nevada

John C. Gibbs
Utility Shareholders Association of Nevada
Las Vegas, Nevada

Joyce Hall
Executive Director
Utility Shareholders Association of Nevada
Carson City, Nevada

Brian McKay
Attorney General
Carson City, Nevada

Ed Morris
Utility Shareholders Association of Nevada
Las Vegas, Nevada

Wiley Price
Utility Shareholders Association of Nevada
Las Vegas, Nevada

Gerald Prindiville
National Council of Retired Senior Citizens
Carson City, Nevada

James Salo
Legal Counsel
Sierra Pacific Power Company
Reno, Nevada

Bill Sastaunik
Chairman
Clark County Committee for Aging
Las Vegas, Nevada

Fred Schmidt
Consumer's Advocate
Office of Advocate for Customers of Public Utilities
Reno, Nevada

Thomas E. Stevens
Member
Public Service Commission of Nevada
Reno, Nevada

Randolph J. Townsend
Nevada State Senator
Reno, Nevada

Klaus VonHeimer
Utility Shareholders Association of Nevada
Las Vegas, Nevada

Stan Warren
Consultant
Sierra Pacific Resources
Reno, Nevada

VI. APPENDICES

	<u>Page</u>
Appendix A - Report From The Office Of Advocate For Customers Of Public Utilities To The Nevada Legislature's Committee To Review The Performance Of The Office Of Consumer's Advocate.....	11
Appendix B - Suggested Legislation.....	29

APPENDIX A

Report From The Office Of Advocate For Customers
Of Public Utilities To The Nevada Legislature's
Committee To Review The Performance Of
The Office Of Consumer's Advocate

**REPORT OF THE
ATTORNEY GENERAL'S
OFFICE OF ADVOCATE FOR CUSTOMERS OF PUBLIC UTILITIES
(the OCA)**

**to its
LEGISLATIVE OVERSIGHT COMMITTEE
August 9, 1988**

ATTORNEY GENERAL'S OFFICE OF ADVOCATE FOR
CUSTOMERS OF PUBLIC UTILITIES

Report to the Oversight Committee

August 9, 1988

I. Summary of 1987-1988 Activities.

Since January 1, 1987, the OCA has intervened and participated in over ninety (90) rate and regulatory proceedings before the Public Service Commission of Nevada, and has reviewed and monitored some twenty-two (22) others. In addition, the OCA has prepared an Amicus Curiae brief to the Supreme Court of the United States on behalf of the National Association of State Utility Consumer Advocates, was a party in three appeals to the Nevada Supreme Court (two of which were successful, one of which is awaiting oral argument), and is a party to several petitions for judicial review pending in District Court. The OCA has intervened in ten (10) Federal Energy Regulatory Commission proceedings, and participated in one (1) Public Utility Holding Company Act proceeding before the Securities and Exchange Commission.

As in prior years, the OCA's efforts in these actions has continued to benefit Nevada's ratepayers. ~~Since the Legislature last convened, the OCA has been specifically credited with saving ratepayers some \$10.7 million dollars, and has contributed to well over \$88 million in additional shared savings.~~

These savings were realized with an investment from ratepayers of only \$627,263. In other words, for every \$1.00 contributed to it by ratepayers in FY '87-'88, the OCA has earned \$17.00 in direct savings, and an additional \$80.00 in shared savings.

The OCA remained well within its budget of \$686,136 during fiscal year '87-88, expending less in salaries than was projected. At various times during the fiscal year, the OCA had clerical, accounting, and legal positions open. The OCA is currently fully staffed with a new Consumer Advocate (on board August

15, 1988), two attorneys, two accountants, one economist, one administrative aid, and two clerical staff.

A. Earnings Investigations:

Much of the OCA's effort over the last year has been dedicated to affirmative investigations into the earnings levels of Nevada's major electric and telephone utilities. These investigations have been prompted by reductions in the corporate tax rate (attributable to the Tax Reform Act of 1986), consistently lower interest rates, steady growth in customer base, and the absence of major construction projects or plant expansions (largely attributable in the electric industry to Resource Planning). When combined, these factors mean increased revenues and decreased expenses, and the potential for overearning-- earnings in excess of the utility's authorized rate of return. The OCA has participated in five such earnings investigations in the past year, each of which was settled with the overearning utility prior to hearing. Savings from these five investigations alone total nearly \$50 million.¹ The OCA is involved in two such investigations (of Nevada Bell and Nevada Power) now, and a third (of Sierra Power's electric department) is scheduled to begin soon.

B. General Rate Cases:

The OCA assumed a leading role in Sierra Pacific Power Company's most recent gas and water department rate increase requests, and was credited by the PSCN with nearly \$3 million in direct savings. The OCA reviewed the prudence of the company's decision to construct its new General Office Building, looked at several land transfers from the utility to its sister land-development company, reviewed the impact of losses by non-regulated affiliates

¹ Because these actions resulted in negotiated rate reductions, savings from the earnings investigations are not reflected in the OCA's direct savings calculation. They are instead reflected as shared savings.

on the financial health of the utility, and analyzed many of the utility's expenditures for utility purpose, usefulness, reasonableness and prudence. The OCA was also successful in bringing to the PSCN's attention the difficulties inherent in regulating and reviewing utilities that are part of a holding company structure. The PSCN has ordered an investigation into the impact of Sierra Pacific's holding company structure on utility rates and the regulatory process.

On Monday, August 1st, the OCA received an application by Southwest Gas Corp. for a general increase in rates. As part of its review in this and all general rate cases, the OCA will look at the company's authorized rate of return, review its expenses and revenues for prudence, reasonableness, and usefulness in providing utility service, and will analyze the rate structure proposed to ensure that all customer classes are being apportioned a fair share the costs of providing their gas service. Hearings in this case are expected to begin in late November or early December.

C. Resource Planning:

In the summer of 1987, Nevada Power Company filed an application to amend its approved resource plan and gain approval of a new intertie and long-term purchased power contract with Utah Power and Light. A similar proposal had been opposed by the OCA and rejected by the PSCN in 1986. Nevada Power had been forced to go back to the negotiation table, but this time came back with a proposal that was much less expensive, and a better deal for Southern Nevada ratepayers. The OCA offered evidence that even less expensive opportunities were available, but the PSCN approved the contract as proposed.

Nevada Power has just filed its 1988 Resource Plan, and seeks approval for the construction of several new generating units. The OCA will offer expert testimony in several areas, including demand-side management, conservation

potential, and supply-side alternatives. Hearings in this case are scheduled to begin in Las Vegas on August 29th.

Sierra Pacific Power is expected to file an amendment to its Resource Plan sometime in the fall, seeking permission to execute several long-term purchased power contracts. The OCA will conduct a review similar to that outlined above, and is expected to participate fully in this proceeding.

II. Anticipated Activities.

The OCA will continue throughout the next year in its efforts to protect the interests of Nevada's ratepayers. In order to achieve that objective, the OCA will continue to pursue activities already underway, will intervene in rate proceedings before the PSCN and FERC, and initiate earnings investigations where appropriate. The OCA's goals in participating in such actions will continue to be:

- (1) to ensure that the revenue requirements authorized for Nevada utility companies are just and reasonable;
- (2) to ensure that Nevada utility companies do not exceed the level of earnings authorized; and
- (3) to ensure that revenue requirements are distributed equitably among the customer classes.

The OCA will attempt to ensure that utility rates are as low as possible, and that the residential and small commercial customers-- who are not usually otherwise represented before the PSCN-- are not impacted disproportionately.

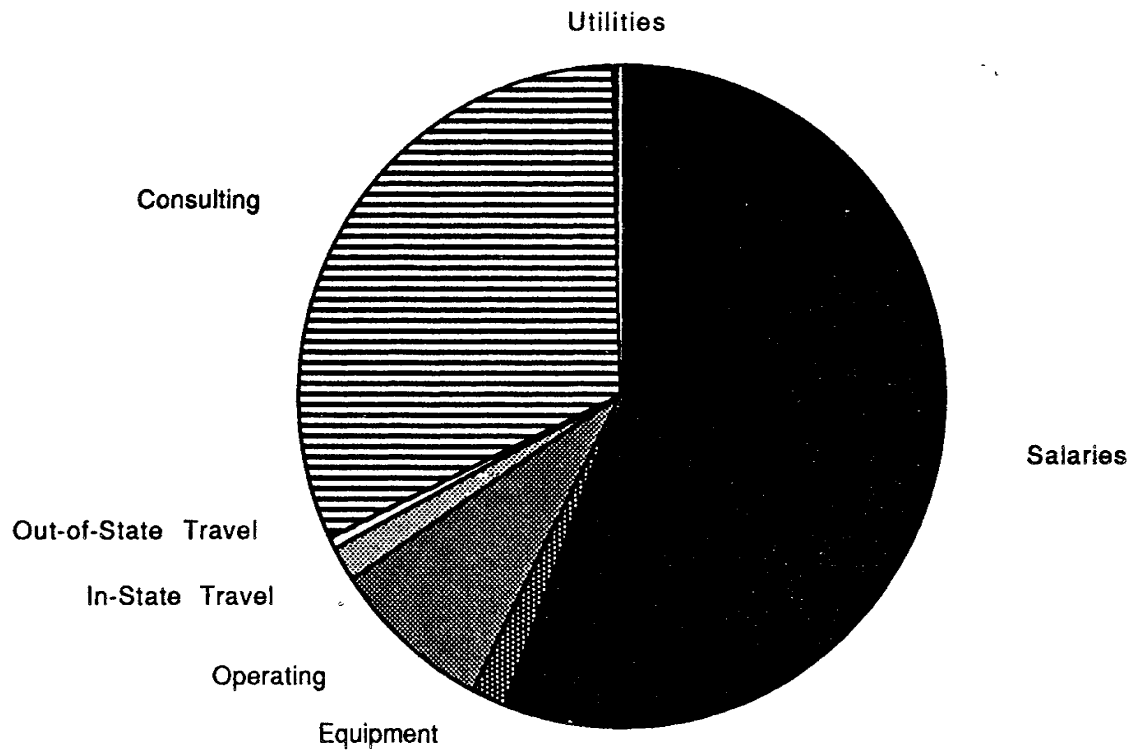
NEVADA ATTORNEY GENERAL'S OFFICE
OF
ADVOCATE FOR CUSTOMERS OF PUBLIC UTILITIES
EXPENDITURES: ACTUAL VS. BUDGET
FISCAL YEAR ENDING 6/30/88

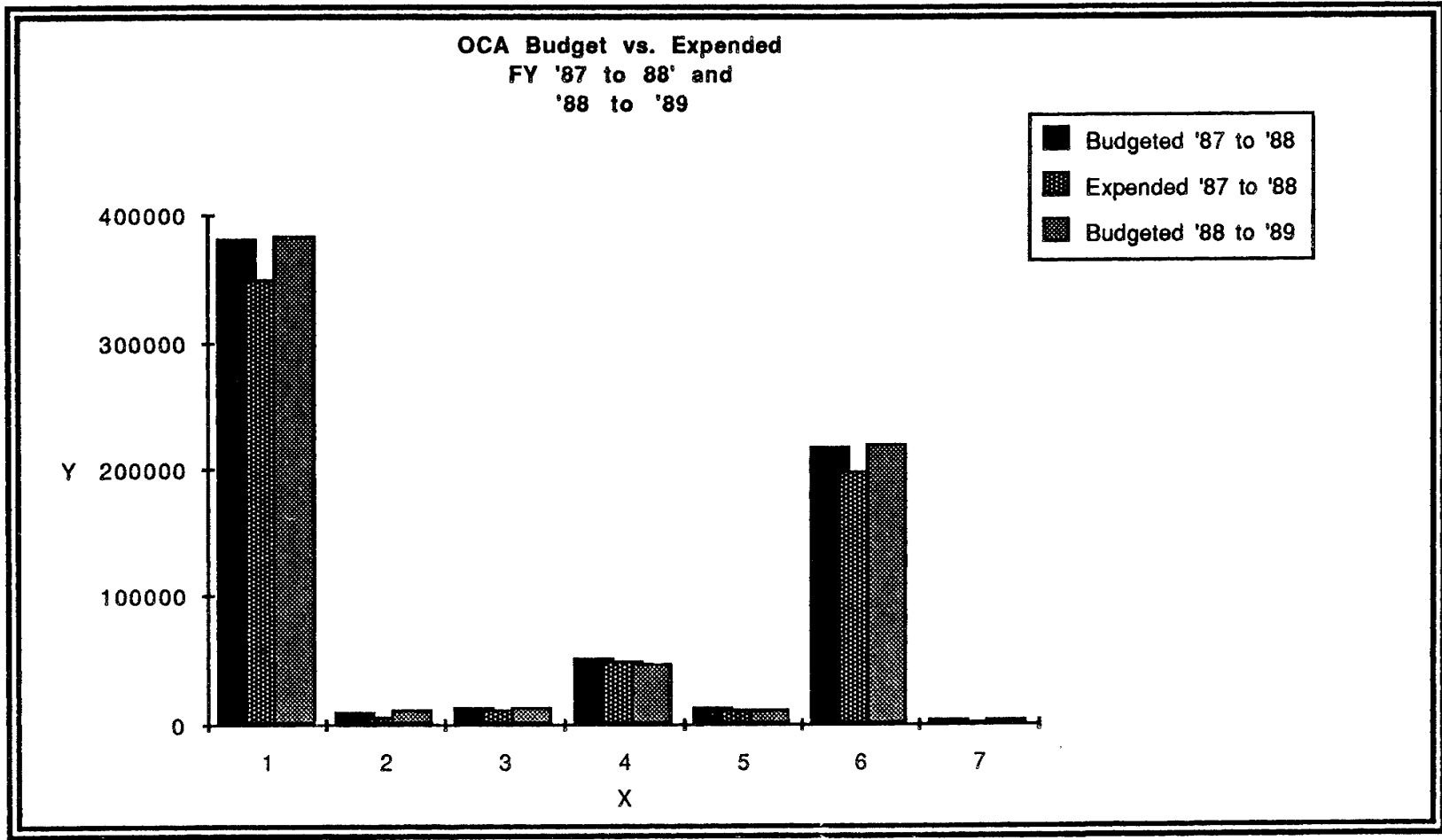
DESCRIPTION	BUDGET	ACTUAL	OVER (UNDER) BUDGET
Personnel Services	381,535	348,435	-33,100
Out of State Travel	9,290	4,173	-5,117
In State Travel	12,598	10,984	-1,614
Operating Expenses	50,536	49,585	-951
Equipment	12,352	10,863	-1,489
Expert Witness	216,500	197,342	-19,158
Utilities	3,325	1,758	-1,567
Totals	686,136	623,140	-62,996

NEVADA ATTORNEY GENERAL'S OFFICE
OF
ADVOCATE FOR CUSTOMERS OF PUBLIC UTILITIES
EXPENDITURES: BUDGET AMOUNTS
FISCAL YEAR ENDING 6/30/89

DESCRIPTION	BUDGET AMOUNT FYE 6/30/89
Personnel Services	383,639
Out of State Travel	10,444
In State Travel	12,598
Operating Expenses	46,510
Equipment	9,852
Expert Witness	220,000
Utilities	<u>3,360</u>
Totals	<u><u>686,403</u></u>

OCA Expenditures
FY '87 to '88





Savings Analysis, 7/88

Docket No.	Amt Sought	PSC Approved	OCA Challenged	Direct Savings	Shared Savings
I. General Rate Cases and Earnings Investigations					
SPP 81-105	\$16,324,255	\$7,071,916	\$12,241,155	\$490,000	\$6,832,500
SPP 81-660	\$17,689,000	\$4,225,000	\$30,449,000	\$79,200	\$4,900,000
SPP 82-1141/2	\$28,951,000	\$2,701,000	\$14,200,000	\$4,471,077	\$5,787,000
SPP 83-111	\$22,195,000	\$12,843,000	\$17,120,000	\$521,000	\$9,000,000
SPP 85-532	\$28,951,000	\$1,602,000	\$25,500,000	\$1,536,000	\$21,625,000
SPP 85-1212	\$1,595,000	\$985,000	\$1,595,000	\$610,000	\$0
SPP 87-1154	n/a	(\$6,500,000)	\$12,000,000	n/a	\$6,500,000
SPP 87-1226/7	\$11,421,000	\$3,501,000	\$9,358,000	\$2,891,000	\$1,608,000
SPP Subtotal	\$127,126,255	\$26,428,916	\$122,463,155	\$10,598,277	\$56,252,500
NPC 81-081	\$21,876,472	\$14,492,757	\$12,539,406	\$0	\$6,910,977
NPC 81-602	\$16,601,911	\$6,189,132	\$20,604,047	\$380,000	\$7,800,000
NPC 83-707*	\$42,231,000	\$20,071,000	\$32,000,000	\$3,146,076	\$8,063,000
NPC 87-557	n/a	(\$16,228,975)	\$20,000,000	n/a	\$16,228,975
NPC Subtotal	\$84,709,383	\$24,523,914	\$89,143,453	\$3,526,076	\$43,002,952
SWG 81-229	\$22,888,000	\$1,561,800	\$600,700	\$229,700	\$0
SWG 81-614	\$7,839,639	\$6,187,220	\$2,426,652	\$1,200,000	\$186,000
SWG 82-398	\$8,625,817	\$6,650,000	\$2,925,674	\$343,600	\$1,548,600
SWG 82-399	\$8,692,400	\$7,118,200	\$2,940,000	\$186,000	\$1,388,200
SWG 83-1012	\$9,500,000	\$7,100,000	\$6,300,000	\$381,739	\$1,037,453
SWG 87-260	\$6,333,354	\$2,270,742	\$3,998,091	n/a	\$4,062,612
SWG Subtotal	\$63,879,210	\$30,887,962	\$19,191,117	\$2,341,039	\$8,222,865
CPN 82-095	\$500,478	\$376,832	\$48,500	\$3,800	\$0
CPN 83-1039	\$1,571,675	\$483,000	\$1,571,675	\$42,000	\$1,046,000
CPN 85-621	\$354,500	\$100,000	\$314,500	\$83,000	\$156,500
CPN Subtotal	\$2,426,653	\$959,832	\$1,934,675	\$128,800	\$1,202,500
NB 82-590	\$14,900,000	\$5,800,000	\$14,800,000	\$867,000	\$3,995,000
NB 84-722	\$0	\$0	\$0	\$48,054	\$0
NB 84-1150	\$13,600,000	\$5,117,000	\$12,431,000	\$2,153,000	\$828,000
NB 87-425	n/a	(\$3,550,000)	(\$3,550,000)	n/a	\$3,550,000
NB 88-606	(\$1,800,000)	(\$2,100,000)	\$2,100,000	n/a	\$300,000
NB Subtotal	\$26,700,000	\$5,267,000	\$25,781,000	\$3,068,054	\$8,673,000
GWC 83-1252	\$1,700,000	\$0	\$1,737,375	\$868,688	\$868,687
MtR 87-758	\$51,471	\$45,538	\$51,471	n/a	\$43,679
Cen 87-1072	\$4,000,000	\$0	\$4,000,000	n/a	\$4,000,000
Cen 87-1249	\$12,800,000	(\$12,100,000)	\$27,800,000	n/a	\$27,800,000

Savings Analysis, 7/88

Docket No.	Amt Sought	PSC Approved	OCA Challenged	Direct Savings	Shared Savings
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II. Deferred Energy, Purchased Gas Adjustments, and Resource Planning Cost Recovery

SPP 82-332	\$3,810,586	\$2,825,000	\$2,825,000	\$2,825,000	\$0
SPP 82-333	\$26,215,996	\$22,247,000	\$6,735,000	\$0	\$3,961,000
SPP 82-443	\$731,562	\$645,589	\$86,000	\$86,000	\$0
SPP 82-444	\$1,057,000	\$1,195,034	\$474,000	\$110,000	\$0
SPP 82-681	(\$8,224,000)	(\$9,730,000)	\$2,256,000	\$431,000	\$1,825,000
SPP 83-636	(\$4,110,060)	(\$4,900,000)	\$1,939,253	\$118,000	\$596,000
SPP 84-1006	\$2,435,000	\$0	\$2,435,000	\$2,435,000	\$0
SPP 84-1231	(\$1,683,400)	(\$3,890,400)	\$3,905,587	\$2,207,000	\$0
SPP 86-640	(\$596,604)	(\$606,604)	\$563,392	\$10,000	\$0
SPP Subtotal	\$19,636,080	\$7,785,619	\$21,219,232	\$8,222,000	\$6,382,000
NPC 82-201	\$4,561,923	\$4,561,923	\$529,000	\$33,000	\$0
NPC 82-550.	\$16,446,355	\$16,446,355	\$1,039,770	\$868,500	\$124,370
NPC 84-1041	\$9,842,740	\$9,842,740	\$2,874,000	\$188,249	\$1,672,194
NPC 85-833	\$1,219,107	\$1,142,454	\$107,551	\$76,653	\$0
NPC 86-432	\$12,430,397	\$7,639,730	\$15,557,947	\$7,639,730	\$0
NPC 86-843*	\$1,793,014	\$1,788,398	\$919,310	\$4,616	\$0
NPC 87-833	(\$1,604,435)	(\$2,162,500)	\$146,034	\$83,715	\$0
NPC Subtotal	\$43,469,994	\$38,116,646	\$33,750,008	\$8,817,810	\$1,796,564
SWG 85-514/34	\$10,297,377	\$10,297,377	\$111,539	\$111,539	\$0
SWG 82-476	\$17,217,496	\$17,217,496	\$1,089,282	\$1,089,282	\$0
SWG 85-1014	(\$6,351,300)	(\$6,794,800)	\$443,500	\$0	\$443,500
SWG 86-731	(\$7,937,927)	(\$8,023,620)	\$295,521	\$85,693	\$0
SWG 88-309	\$11,923,676	\$4,499,519	\$7,424,157	n/a	\$7,424,157
SWG Subtotal	\$25,149,322	\$17,195,972	\$9,363,999	\$1,286,514	\$7,867,657

III. FERC Interventions, 1981 through 1988:

Subtotal	\$58,848,300	\$19,113,000	\$39,402,000	\$3,943,000	\$21,226,500
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GRAND TOTALS	\$350,791,413	\$307,181,332	\$391,837,485	\$42,800,258	\$183,338,904
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Total OCA Direct Savings in General Rate and Overearnings Cases: \$20,530,934

Total OCA Shared Savings in General Rate and Overearnings Cases: \$146,066,183

Total OCA Direct Savings in Deferred Energy/ Purchased Gas Cases: \$22,269,324

Total OCA Shared Savings in Deferred Energy/Purchased Gas Cases: \$37,272,721

Total OCA Direct Savings in All Cases: \$42,800,258

Total OCA Shared Savings in All Cases: \$183,338,904

* Case is currently under appeal and favorable disposition would yield additional savings.

CASE SUMMARY- PSCN INTERVENTIONS

1/1/87 TO 8/1/88

	General Rate Case	Earnings Invest.	Avoided Cost/QF	Certification	Resource Planning	Deferred Energy	Other
SPP	87-1226 (g) 87-1227 (w)	87-1154 (e)	87-0126 (e) 87-0454 (e) 87-0474 (e) 87-0822 (e) 87-1041 (e) 87-1259 (e) 88-0530 (e)	87-0217 (e) 87-0327 (w)	84-1006 (w) 86-0535 (w) 87-0701 (e) 87-0827 (e) 88-0342 (g)	87-0633 (e)	87-0234 (w) 87-0635 (e) 87-0761 (e) 87-0855 (w) 87-1053 (w) 87-1110 (e) 87-1149 (e)
NPC		87-0557 NPC Invest.	87-0732 87-1262		87-0750 87-0833 88-0701	87-0440 87-0946	88-0301 88-0629 87-1040 88-0566
SWG	87-0260 87-0469 87-0956 88-763			87-0420 87-0457 87-1246	88-0342	87-1092 88-0309	87-1091 88-0206 88-0708 88-0709
Tel		87-? (N. Bell) 87-1249 (Centel) 88-0606 (Bell) Bell Invest.		87-0154 (Centel) 87-0165 (N. Bell) 87-0336 (CP Nat)			87-0247 (N. Bell) 87-0371 (N. Bell) 87-0480 (N. Bell) 87-0574 (ATT) 87-1009 (Centel) 87-1072 (Centel) 87-1131 (Centel) 88-0543 (Bell)
Water	87-0552 (BDW) 87-0662 (Mason) 88-0732 (Sky)	87-014 (Mogul)		87-0758 (MiRose)			88-? (Mogul)
CPN						87-1104	

Cases in bold typeface are open and active.

OTHER PSCN INTERVENTIONS

1/1/87 to 8/1/88

26

Rulemakings:	
84-1006	Consumer Bill of Rights
87-0125	Electric Resource Planning
87-0149	Inside Wiring
87-0151	Electric Resource Planning
87-0181	Electric Resource Planning
87-0237	Tax Reform Act of '86
87-0354	Mobile Home Master Meter
87-0569	Inside Wiring
87-0719	Gas Decorative Lighting
87-0934	Mobile Home, GO 55
87-0936	Tax Reform Act of '86
87-0947	Executive Expenses
87-1043	Cost of Work In Progress
87-1044	Milestones for QFs
87-1045	Liquified Petroleum Gas
87-1132	Gas Resource Planning
88-0563	Purchased Gas Adjust.
88-0739	Overearning Rules

Monitored:	
87-618	Nevada Bell
87-1010	Sierra Pacific Power
87-1052	Sierra Pacific Power
87-1059	Public Service Comm.
87-1202	Sierra Pacific Power
87-1216	Sierra Pacific Power
87-1251	Sierra Pacific Power
87-1255	Sierra Pacific Power
87-1256	Sierra Pacific Power
87-1266	Sierra Pacific Power
87-1268	Sierra Pacific Power
88-0106	Public Service Comm.
88-0111	Nevada Power Co.
88-0116	Sierra Pacific Power
88-0128	Amer. Operator Serv.
88-0136	Southwest Gas Co.
88-0158	Sierra Pacific Power
88-0160	Sierra Pacific Power
88-0210	Sierra Pacific Power
88-0220	Sierra Pacific Power
88-0221	Sierra Pacific Power

Cases in bold typeface are open and active.

FERC AND COURT INTERVENTIONS

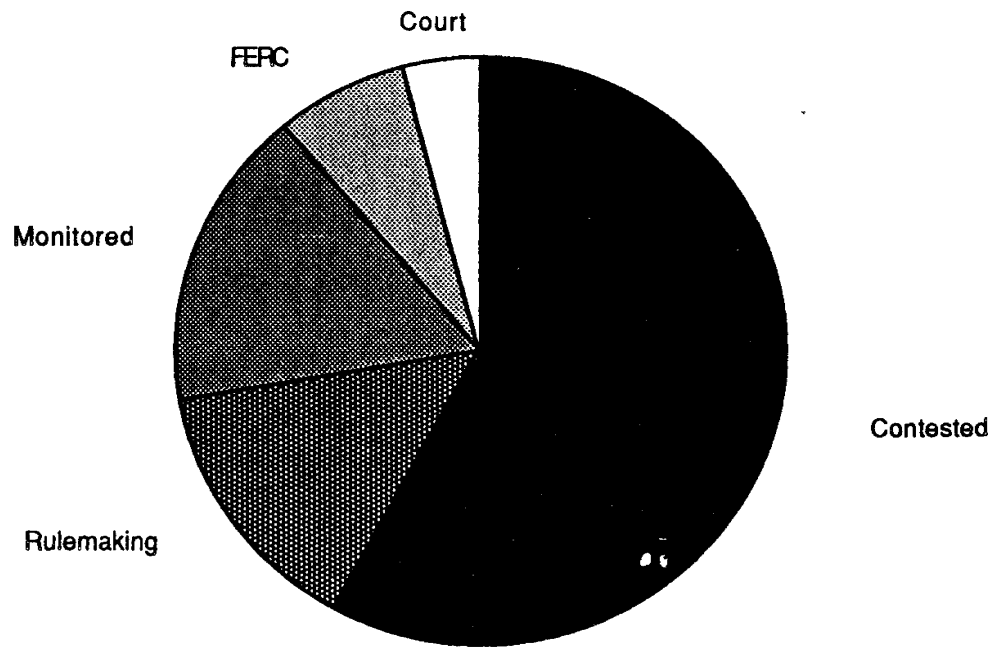
1/1/87 to 8/1/88

FERC Interventions	
CP 87-309	Southwest Gas Co., Paiute Pipeline
CP 87-331	Southwest Gas
TA 87-3-37	Northwest Pipeline
ER 88-95	Utah Power & Light Co.
CP 88-433	El Paso Natural Gas Co.
TA 88-1-41	Southwest Gas Co.
TA 88-3-37	Southwest Gas Co.
TA 88-4-33	El Paso Natural Gas Co.
TA 88-4-37	Northwest Pipeline, Southwest Gas Co.

Court Cases:		
U.S. Supreme Ct.	86-1970	Amicus Brief, NASUCA
Nev. Supreme Ct.	18423	From PSCN 83-707
Nev. Supreme Ct.	18203	From PSCN 86-731
Nev. Supreme Ct.	18047	From PSCN 87-432
First Jud. District	87-1066	From PSCN 86-833

Cases in bold typeface are open and active.

OCA Activities
1987-1988



APPENDIX B

Suggested Legislation

SUMMARY--Revises provisions governing legislative committee to review performance of office of consumer's advocate. (BDR 17-1505)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to public utilities; making various changes to the provisions governing the legislative committee to review the performance of the office of the consumer's advocate; expanding the scope of that committee to include oversight of the public service commission of Nevada; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 218 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby created an interim committee of the legislature to review the performance of the office of advocate for customers of public utilities and the public service commission of Nevada.

2. The committee consists of:

(a) Two members of the senate from the majority political party, designated by the majority leader of the senate;

(b) One member of the senate from the minority political party, designated by the minority leader of the senate;

(c) Three members of the assembly from the majority political party, designated by the speaker of the assembly; and

(d) Two members of the assembly from the minority political party, designated by the minority leader of the assembly.

3. Except as otherwise provided in this subsection, after the initial terms, a member shall serve a term of 2 years, or until his successor is appointed. The membership of any member who does not become a candidate for reelection or who is defeated for reelection continues until the next session of the legislature is convened.

4. Except during a regular or special session of the legislature, the legislative commission may appoint a successor to fill a vacancy in the office of a member of the committee. Any successor appointed pursuant to this subsection must be from the same house and political party as the member who vacated the office.

5. The members from the assembly shall select a chairman from among their number to serve for the period ending with the convening of each even-numbered regular session of the legislature. The members from the senate shall select a chairman from among their number to serve during the next legislative interim, and the chairmanship alternates between the houses of the legislature according to this pattern.

6. The committee exists only when the legislature is not in regular or special session. The committee shall meet at the call of the chairman to review and evaluate the effectiveness and functioning of the office of advocate for

customers of public utilities and the public service commission of Nevada. It may make recommendations to the consumer's advocate, the attorney general, the public service commission of Nevada, the legislative commission, the interim finance committee and the legislature.

7. The director of the legislative counsel bureau shall provide a secretary for the committee. Each member of the committee is entitled to receive out of the legislative fund a salary for each day or portion of a day in attendance at a meeting of the committee, in an amount equal to the salary established for members of the legislative commission, and the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 2. NRS 228.300 is hereby amended to read as follows:

228.300 1. "Consumer's advocate" means the advocate for customers of public utilities.

2. "Cooperative utility" means a cooperative association or nonprofit corporation or association which supplies utility services for the use of its own members only.

3. "Public interest" means the interests or rights of the State of Nevada and of the [citizens] *residents* of the state, or a broad class of those [citizens,] *residents*, which arise from the constitutions, court decisions and statutes of this state and of the United States and from the common law. As used in NRS 228.300 to [228.400,] 228.390, inclusive, the term refers to those interests and rights as they relate to the regulation of public utilities.

Sec. 3. NRS 228.340 is hereby amended to read as follows:

228.340 1. The fund for the consumer's advocate is hereby created as a special revenue fund. All money collected for the use of the consumer's advocate must be deposited in the state treasury for credit to the fund.

2. Money in the fund may be used only to defray the costs of maintaining the office of [the consumer's] advocate *for customers of public utilities* and for carrying out the provisions of NRS 228.300 to [228.400,] 228.390, inclusive.

3. All claims against the fund must be paid as other claims against the state are paid.

Sec. 4. NRS 228.400 is hereby repealed.

TEXT OF REPEALED SECTION

228.400 Interim legislative committee to review performance of office of consumer's advocate.

1. There is hereby created an interim committee of the legislature to review the performance of the office of the consumer's advocate.

2. The committee consists of:

(a) Two members of the senate from the majority political party, designated by the majority leader of the senate;

(b) One member of the senate from the minority political party, designated by the minority leader of the senate;

(c) Three members of the assembly from the majority political party, designated by the speaker of the assembly; and

(d) Two members of the assembly from the minority political party, designated by the minority leader of the assembly.

3. The members from the assembly shall select a chairman from among their number to serve for the period ending with the convening of each even-numbered regular session of the legislature. The members from the senate shall select a chairman from among their number to serve during the next legislative interim, and the chairmanship alternates between the houses of the legislature according to this pattern.

4. The committee exists only when the legislature is not in regular or special session. The committee shall meet at the call of the chairman to review and evaluate the effectiveness and functioning of the office of the consumer's advocate. It may make recommendations to the consumer's advocate, the attorney general, the public service commission of Nevada, the legislative commission, the interim finance committee and the legislature.

5. The director of the legislative counsel bureau shall provide a secretary for the committee. Each member of the committee is entitled to receive out of the legislative fund a salary for each day or portion of a day in attendance at a meeting of the committee, in an amount equal to the salary established for members of the legislative commission, and the per diem allowance and travel expenses provided for state officers and employees generally.