STATEMENT REGARDING SMALL BUSINESS IMPACT (NRS 233B.0608)

LCB File No. R006-26 (PUCN Docket No. 25-07002)

1. A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

N/A. *Se*e Informational Statement accompanying the Regulation, Question Nos. 2-5 and 12.

Pursuant to NRS 233B.0608(1), the Regulatory Operations Staff ("Staff") of the Public Utilities Commission of Nevada ("PUCN") conducted an investigation to determine whether the proposed regulation is likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation or expansion of a small business. In a Memorandum filed on March 27, 2026, Staff memorialized its conclusion that the proposed regulation does not impose a direct and significant economic burden upon small businesses nor does it directly restrict the formation, operation or expansion of a small business. *See* Attachment 1.

On April 6, 2026, the PUCN issued an Order adopting the findings of Staff and specifically found that the proposed regulation does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation or expansion of a small business. *See* Attachment 2.

NRS 233B.0608(2)(a) only requires an agency to consult with owners and officers of small businesses, and NRS 233B.0608(2)(b) only requires an agency to notify chambers of commerce and trade associations whose members are owners or officers of small businesses, "*if* an agency determines pursuant to subsection 1 that a proposed regulation *is* likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business …." (emphasis added). Given the PUCN's determination that the proposed regulation does not impose a direct and significant economic burden upon small businesses or directly restrict the formation, operation or expansion of a small business, the PUCN is not statutorily mandated to make this consultation and this notification, as no such "affected" small businesses exist.

2. The total number of small businesses likely to be affected by the proposed regulation

The total number of small businesses likely to be affected by the proposed regulation is zero.

3. A list of the chambers of commerce and trade associations notified of the proposed regulation pursuant to paragraph (b) of subsection 2 of NRS 233B.0608

The PUCN did not notify chambers of commerce and trade associations for the reasons stated in part 1, above, and thus no list exists.

4. The manner in which the analysis was conducted.

See Attachments 1 and 2. Staff used a version of the Delphi method that incorporates elements of the Policy Delphi method to determine the potential impact of a regulation on small businesses.

5. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:
(a) Both adverse and beneficial effects; and
(b) Both direct and indirect effects.

See Informational Statement accompanying the Regulation, Question No. 7. *See also* Attachments 1 and 2.

6. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

N/A. *See* Attachments 1 and 2.

Pursuant to NRS 233B.0608(1), Staff conducted an investigation to determine whether the proposed regulation is likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation or expansion of a small business.

On April 6, 2026, the PUCN issued an Order adopting the findings of Staff and specifically found that the proposed regulation does not impose a direct and significant economic burden upon small businesses nor does it directly restrict the formation, operation or expansion of a small business. *See* Attachment 2.

NRS 233B.0608(2)(c) only requires an agency to consider methods to reduce the impact of a proposed regulation on small businesses "*if* an agency determines pursuant to subsection 1 that a proposed regulation *is* likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business …." (emphasis added). Given the PUCN's determination that the proposed regulation does not impose a direct and significant economic burden upon small businesses or directly restrict the formation, operation or expansion of a small business, the PUCN is not statutorily mandated to make this inquiry as there are no impacts on small businesses and no methods that were considered for reducing the non-existent impacts.

7. The estimated cost to the agency for enforcement of the proposed regulation.

See Informational Statement accompanying the Regulation, Question No. 8. *See also* Attachment 1.

8. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

N/A. *See* Informational Statement accompanying the Regulation, Question No. 11.

9. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

See Informational Statement accompanying the Regulation, Questions Nos. 9 and 10. *See also* Attachment 1.

10. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.

The PUCN complied with NRS 233B.0608 by making a concerted effort to determine whether the proposed regulation imposes a direct and significant economic burden upon small businesses or directly restricts the formation, operation, or expansion of a small business. The PUCN concluded that no such impacts would occur from the adoption of the proposed regulation based upon the well-reasoned investigation of Staff.

I, STEPHANIE MULLEN, Executive Director of the PUCN, certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and the information contained in the statement was prepared properly and is accurate.

DATED this 21 day of July, 2026.

STEPHANIE MULLEN,
Executive Director
PUBLIC UTILITIES COMMISSION OF NEVADA

ATTACHMENT 1

PUBLIC UTILITIES COMMISSION OF NEVADA
MEMORANDUM

DATE: March 17, 2026

TO: The Commission
Via: Anne-Marie Preisach, DRO

FROM: Tori Sundheim, Assistant Staff Counsel, Staff Counsel Division

SUBJECT: Small Business Impact Report
Agenda No. 05-26; Item No. 6A; Docket No. 25-07002;
Rulemaking to amend, adopt, and/or repeal regulations in accordance with Assembly Bill 449 (2025).

I. Summary

On July 1, 2025, the Public Utilities Commission of Nevada ("Commission") opened a rulemaking to amend, adopt, and/or repeal regulations in accordance with Assembly Bill ("AB") 449 (2025). This matter was designated as Commission Docket No. 25-07002.

On July 29, 2025, the Commission issued a Notice of Rulemaking and Notice of Workshop. That same day, the Presiding Officer issued a Procedural Order setting the procedural schedule.

On August 28, 2025, the Commission extended the comment deadlines due to ongoing State of Nevada network outages and related office closures.

On September 5, 2025, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy (collectively, "NV Energy") filed comments with the Commission on the need to amend, adopt, and/or repeal regulations in accordance with AB 449.

On September 15, 2025, the Regulatory Operations Staff of the Commission ("Staff") filed comments with the Commission on the need to amend, adopt, and/or repeal regulations in accordance with AB 449.

On September 18, 2025, the Presiding Officer issued Procedural Order No. 2, which modified the procedural schedule.

On September 19, 2025, Pahrump Utility Company, Inc. ("PUCI") filed Reply Comments with the Commission on the need to amend, adopt, and/or repeal regulations in accordance with AB 449. That same day, NV Energy filed a letter stating that it would not file comments.

On September 22, 2025, the Commission held a workshop. NV Energy and PUCI made appearances. Discussed was the possibility of other water and sewer companies taking part in these proceedings, informal discussions with Staff regarding which regulations should be amended, and a further procedural schedule.

On November 26, 2025, the Presiding Officer issued Procedural Order No. 3, inviting interested persons to file comments on the need to amend, adopt, and/or repeal regulations in accordance with AB 449.

On December 19, 2025, PUCI filed comments. That same day, Staff filed a letter stating that it would not file comments.

On January 14, 2026, the Commission sent a proposed regulation to the Legislative Counsel Bureau ("LCB") for pre-adoption review.

On February 25, 2026, LCB returned a revised proposed regulation.

On February 27, 2026, the Commission issued Procedural Order No. 4, directing Staff to investigate pursuant to Nevada Revised Statute ("NRS") 233B.0608(1) whether the proposed regulation, attached to Procedural Order No. 4 as Attachment A, is likely to affect small businesses as contemplated in NRS 233B.0608(1) and to present a report of the results of this investigation, including all the information required by NRS 233B.0609(1), along with a statement identifying the methodology used in determining the impact on small business. Staff was further directed to place this report on a Commission agenda meeting no later than the last open agenda meeting of the Commission in March of 2026, for Commission consideration.

II. Analysis and Investigation

This briefing memo constitutes the Staff Report regarding the Small Business Impact of the proposed regulation as directed by Procedural Order No. 4.

<u>Standard of Review</u>

NRS 233B.0608(1) requires an agency to make a concerted effort to determine whether a proposed regulation is likely to:

(a) impose a direct and significant economic burden upon small businesses; or

(b) directly restrict the formation, operation, or expansion of small business.

A small business is defined in NRS 233B.0382 as "a business conducted for profit which employs fewer than 150 full-time or part-time employees." NRS 233B.0608(1) further requires that the assessment must be made prior to conducting a workshop regarding the proposed regulation.

NRS 233B.0608(3) requires that an agency considering a proposed regulation to "prepare a statement identifying the methods used by the agency in determining the impact of a proposed regulation on a small business and the reasons for the conclusions of the agency."

<u>Methodology</u>

In accordance with NRS 233B.0608(3), Staff used a version of the Delphi method that incorporates elements of the Policy Delphi method to determine the potential impact of a regulation on small businesses. The Delphi method is a systematic interactive forecasting method based on independent inputs of selected experts. It recognizes the value of expert opinion, experience, and intuition and allows the use of limited information when full scientific knowledge is lacking.

One Staff Engineer and one Staff Accountant, both of whom were involved in the rulemaking proceeding, and who are most familiar with the subject matter of the rulemaking, participated in this analysis. Each participant in the exercise used their background and expertise to reflect upon and analyze the impact of the regulation on small businesses and arrived at a consensus position.

Analysis

The proposed regulation does not impose any economic burdens on small businesses because it increases the threshold at which a utility is required to file a rate case. Small business customers will not be subject to any additional economic burden as a result of the proposed regulation.

First, the proposed regulation applies to certain public utilities which furnish water or services for the disposal of sewage, or both, and which: (1) serve 3,000 or fewer persons; and (2) had during the immediately preceding 12-month period gross sales for water or services for the disposal of sewage amounting to $2,000,000 or less. AB 449 increases the number of persons served from 3,000 to 4,000 and gross operating revenue change amount permitted for a public utility to file a letter of advice for certain proposed changes in schedules or rates or services from $2,000,000 to $4,000,000 or less in lieu of filing a general rate application with the Commission; it also requires a gross domestic product deflator advice letter to include "other fees."

The proposed regulation also allows public utilities, other than small-scale providers of last resort, to submit a letter of advice if the proposed change does not change any rate or will result in an increase in annual gross operating revenue in an amount that does not exceed $100,000, an increase from the previous $15,000 amount.

Immediate Adverse Effects:

The proposed regulation will not have any direct immediate adverse effects on small businesses.

Immediate Beneficial Effects:

The proposed regulation will not have any direct immediate beneficial effects on small businesses. One Delphi method participant indicated that there are potential indirect beneficial economic effects due to cost savings to the utility that will be passed on to ratepayers, which includes small businesses.

Long-Term Adverse Effects:

Similar to the immediate adverse effects outlined above, the proposed regulation will not have any direct long-term adverse effects on small businesses.

Long-Term Beneficial Effects:

Similar to the immediate beneficial effects outlined above, the proposed regulation will not have any direct long-term beneficial effects on small businesses.

Cost to the Commission to enforce or administer the proposed regulations, including start-up and ongoing costs:

The proposed regulation is not anticipated to change the Commission's ongoing administrative costs to review the filings addressed in the regulation.

As a result of the investigation, Staff concludes that the proposed regulation is intended to regulate the activities of public utilities, not small businesses. The proposed regulation is not likely to: (a) impose a direct and significant economic burden upon small business; or (b) directly restrict the formation, operation, or expansion of small business. Therefore, a small business impact statement pursuant to NRS 233B.0608(2) is not required.

III. Notice and Subsequent Action

On February 27, 2026, the Commission issued Procedural Order No. 4, directing Staff to investigate pursuant to NRS 233B.0608(1) whether the proposed regulation is likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation, or expansion of a small business.

IV. Conclusions and Recommendations

The proposed regulation is intended to regulate the activities of public utilities, not small businesses. Any potential indirect effects on small businesses are a result of AB 449, not the proposed regulation.

Staff recommends that, in accordance with NRS 233B.0608(1), the Commission find that the proposed regulation is not likely to impose a direct or significant economic burden on a small business, or restrict the formation, operation or expansion of a small business.

Staff further recommends that, pursuant to NRS 233B.0608(3), the Commission state that the Delphi method was used in the determination of the impact of the proposed regulation on small business.

ATTACHMENT 2

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Rulemaking to amend, adopt, and/or repeal regulations in accordance with Assembly Bill 449 (2025).	)))	Docket No. 25-07002

At a general session of the Public Utilities Commission of Nevada, held at its offices on March 31, 2026

PRESENT: Chair Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
Assistant Commission Secretary Trisha Osborne

ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following findings and conclusions:

I. INTRODUCTION

The Commission opened a rulemaking, designated as Docket No. 25-07002, to amend, adopt, and/or repeal regulations in accordance with Assembly Bill 449 (2025) ("AB 449").

II. SUMMARY

The proposed regulation in Docket No. 25-07002 is neither likely to impose a direct and significant economic burden upon small businesses, nor is it likely to directly restrict the formation, operation, or expansion of a small business. Therefore, a small business impact statement pursuant to Nevada Revised Statutes ("NRS") 233B.0608(2) is not required.

III. PROCEDURAL HISTORY

- On July 1, 2025, the Commission opened this rulemaking.

- This rulemaking is being conducted pursuant to the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code Chapters 233B, 703 and 704, including, but not limited to, NRS 703.025, NRS 704.210, and AB 449.

- On July 29, 2025, the Commission published a notice of rulemaking and notice of workshop. That same day, the presiding officer issued Procedural Order No. 1, which set a procedural schedule.

- On September 18, 2025, the presiding officer issued Procedural Order No. 2.

- On September 22, 2025, the presiding officer held a workshop. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy (together, "NV Energy"), Pahrump Utility Company, Inc. ("PUCI"), and the Regulatory Operations Staff ("Staff") of the Commission made appearances.

- On November 26, 2025, the presiding officer issued Procedural Order No. 3.

- On December 19, 2025, PUCI filed comments. That same day, Staff filed a letter stating that it will not file comments.

- On January 14, 2026, the Commission sent a proposed regulation to the Legislative Counsel Bureau ("LCB") for pre-adoption review.

- On February 25, 2026, LCB returned a revised proposed regulation.

- On February 27, 2026, the presiding officer issued Procedural Order No. 4, directing Staff to investigate whether the proposed regulation is likely to impact small business as contemplated in NRS 233B.0608(1).

- On March 27, 2026, Staff filed a memorandum ("Staff's Report") with the Commission.

IV. SMALL BUSINESS IMPACT REPORT

Staff's Report

1. Staff conducted a Delphi Method exercise to determine the impact of the proposed regulation on small businesses. (Staff's Report at 2-3.) The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts. (*Id.*) In this instance, the participants were members of Staff, including one Staff engineer and one Staff accountant, involved in the rulemaking. (*Id.* at 3.) Each participant in the exercise used his or her background and expertise to reflect upon and analyze the impact of the proposed regulation on small businesses. (*Id.*)

2. Staff provides that the proposed regulation revises provisions governing certain utilities that furnish water or services for the disposal of sewage, or both, and which currently: (1) serve 3,000 or fewer persons and (2) had during the immediately preceding 12-month period

gross sales for water or services for the disposal of sewage amounting to $2,000,000 or less. (*Id.*) Staff notes that AB 449: (1) increases the number of persons served from 3,000 to 4,000; (2) increases the gross-operating-revenue amount allowed for filing a gross-domestic-product deflator advice letter in lieu of a general rate case from $2,000,000 or less to $4,000,000 or less; and (3) requires a gross-domestic-product deflator advice letter to include "other fees." (*Id.*)

3. Staff also notes that the proposed regulation allows public utilities, other than small-scale providers of last resort, to submit a letter of advice if the proposed change does not change any rate or will result in an increase in annual gross operating revenue that does not exceed $100,000, which is an increase from the previous limit of $15,000. (*Id.*)

4. Staff states that the proposed regulation will not have direct, immediate adverse effects on small businesses or direct, immediate beneficial effects on small businesses. (*Id.*) Staff does note that one Delphi-method participant indicated possible indirect economic benefits due to cost savings to the utility that will be passed on to ratepayers, including small businesses. (*Id.*)

5. Staff states that the proposed regulation will not have direct, long-term adverse effects on small businesses or direct, long-term beneficial effects on small businesses. (*Id.* at 3-4.)

6. Staff states the proposed regulation is not expected to change the Commission's ongoing administrative costs to review the filings addressed in the regulation. (*Id.* at 4.)

7. Based on the foregoing, Staff recommends that the Commission find that the proposed regulation in Docket No. 25-07002 is neither likely to impose a direct and significant economic burden on small businesses nor directly restrict the formation, operation or expansion of a small business. (*Id.*)

Commission Discussion and Findings

8. The Commission finds that the proposed regulation is neither likely to impose a direct or significant economic burden upon small businesses, nor is it likely to directly restrict the formation, operation, or expansion of a small business. Therefore, a small business impact statement pursuant to NRS 233B.0608(2) is not required.

9. The Commission finds that the Delphi method was used in the determination of the impact of the proposed regulation on small businesses. The Commission further finds that the provisions of NRS 233B.0608 have been met.

Therefore, it is ordered:

1. The proposed regulation in Docket No. 25-07002 is neither likely to impose a direct and significant economic burden upon small businesses, nor is it likely to directly restrict the formation, operation, or expansion of a small business.

By the Commission,

TRISHA OSBORNE,
Assistant Commission Secretary
On behalf of the Commissioners

Attest: ____/s/ Stephanie Mullen____
STEPHANIE MULLEN,
Executive Director

Dated: Carson City, Nevada

4/6/26
(SEAL)

PUBLIC UTILITIES COMMISSION OF NEVADA
PUC