

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. R030-23

1. A clear and concise explanation of the need for the adopted regulation.

The regulation amends to sections of the Nevada Administrative Code (“NAC”) to improve the water resource planning process and to clarify the processes for seeking System Improvement Rate eligibility for certain projects.

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

(a) Copies of the proposed regulation, notice of intent to act upon the regulation and notice of workshop and hearing were sent by U.S. mail and email to persons who were known to have an interest in the subjects of noticing and interventions. These documents were also made available at the website of the Public Utilities Commission of Nevada (“Commission”), <https://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

Ely Times
Las Vegas Review Journal
Reno Gazette Journal
Tonopah Times-Bonanza,

and posted at the following locations:

Public Utilities Commission
1150 East William Street
Carson City, Nevada 89701

Public Utilities Commission
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

(b) Prior to the commencement of proceedings under Chapter 233B of the Nevada Revised Statutes (“NRS”), William Lyon Homes, Inc., Mountain Falls, LLC, Mountain Falls Golf Course, LLC, Mountain Falls Homeowners Association, Great Basin Water Co. (“GBWC”), the Nevada Bureau of Consumer Protection (“BCP”), and the Regulatory Operations Staff (“Staff”) of the Commission filed comments. Following commencement of NRS Chapter 233B proceedings, GBWC and BCP filed comments. GBWC proposed expanding the definition of a medium priority project in NAC 704.5665(3) to include a project that improves efficiency of system operations. GBWC otherwise generally supported the proposed regulation. BCP disagreed with the removal of “existing” in describing “existing customers” in NAC 704.5665(3), asked for the addition of the phrase “for the term of the action plan” in describing what shall be deemed to be a prudent investment in NAC 704.5682 and NAC 704.5687, disagreed with establishing an alternative threshold of \$500,000 in NAC 704.63335, and suggested clarifying that a “project” in NAC 704.63435 must be an improvement and not just a project that spends ratepayer money. BCP otherwise generally supported the proposed regulation.

(c) Copies of the transcripts of the proceedings are available for review at the offices of the PUCN, 1150 East William Street, Carson City, Nevada 89701 and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148.

3. The number of persons who:

- (a) Attended each hearing: 7**
- (b) Testified at each hearing: 0**
- (c) Submitted written comments: 6**

4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:

- (a) Name;**
- (b) Telephone number;**
- (c) Business address;**
- (d) Business telephone number;**
- (e) Electronic mail address; and**
- (f) Name of entity or organization represented.**

Paul Stuhff (Ret.)
Nevada Bureau of Consumer Protection
8945 W. Russell Rd.
Suite 204
Las Vegas, NV 89148
(702) 486-3132
No functioning email address

David Noble
Regulatory Operations Staff of the Public Utilities Commission of Nevada
1150 E. William St.
Carson City, NV 89701
(775) 684-6101
No functioning email address

Karen Peterson
Allison MacKenzie, Ltd.
Counsel for William Lyon Homes, Inc., Mountain Falls, LLC, Mountain Falls Golf Course, LLC, and Mountain Falls Homeowners Association
402 N. Division St.
Carson City, NV 89703
(775) 687-0202
kpeterson@allisonmackenzie.com

Erica K. Nannini
Holland & Hart
Former Counsel for Great Basin Water Company
5441 Kietzke Ln., Second Floor
Reno, NV 89511
(775) 327-3000
EKNannini@hollandhart.com

Wade Beavers
Fennemore Craig
Counsel for Great Basin Water Company
7800 Rancharra Pkwy.
Reno, NV 89511
(775) 788-2200
wbeavers@fennemorelaw.com

Christine Greve
Regulatory Operations Staff of the Public Utilities Commission of Nevada
9075 W. Diablo Dr., #250
Las Vegas, NV 89148
(702) 486-7210
No functioning email address

5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses in the same manner as they were solicited from the public.

Prior to the commencement of proceedings under Chapter 233B of the Nevada Revised Statutes (“NRS”), William Lyon Homes, Inc., Mountain Falls, LLC, Mountain Falls Golf Course, LLC, Mountain Falls Homeowners Association, and GBWC filed comments. Following commencement of NRS Chapter 233B proceedings, GBWC and BCP filed comments. GBWC proposed expanding the definition of a medium priority project in NAC 704.5665(3) to include a project efficiency of system operations. GBWC otherwise generally supported the proposed regulation.

Comments may be accessed by searching the website of the Commission, <https://puc.nv.gov>, or by visiting the offices of the Commission, 1150 East William Street, Carson City, Nevada 89701, and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The Commission changed the definition of a “medium priority project” in NAC 704.5665(3) to include a project that improves the efficiency of system operations. The rest of the regulation was adopted without change because its language accomplished the purpose of the rulemaking.

- 7. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include: both adverse and beneficial effects, and both immediate and long-term effects.**

(a) Estimated economic effect on the businesses which they are to regulate.

The regulation does not impose any economic effect on the businesses the regulation is to regulate.

(b) Estimated economic effect on the public which they are to regulate.

The regulation does not impose any economic effect upon the public.

- 8. The estimated cost to the agency for enforcement of the proposed regulation:**

Any costs associated with the regulation are considered incremental in nature.

- 9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The regulation does not overlap any regulation of other State or governmental agencies.

- 10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.**

See the response to question 9 above.

- 11. If the 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

- 12. If the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restrict the formation, operation or expansion of a small business, what methods did the agency use in determining the impact of the regulation on a small business?**

The Regulatory Operations Staff (“Staff”) of the Commission conducted a Delphi Method exercise to determine the impact of this proposed regulation on small businesses. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts. In this instance, the participants were members of Staff. Each participant in the exercise used his background and expertise to reflect upon and analyze the impact of the proposed regulation on small businesses. Based upon Staff’s analysis, Staff recommended to the Commission that the Commission find that the proposed regulation will not impose a direct and significant economic burden on small businesses or directly restrict the formation, operation or expansion of a small business. The Commission accepted Staff’s recommendation and found that the proposed regulation does not impose a direct or significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business, and therefore a small business impact statement pursuant to NRS 233B.0608(2) is not required. This finding was memorialized in an Order issued in Docket No. 18-11006 on October 31, 2024.