ADOPTED REGULATION OF THE

PUBLIC UTILITIES COMMISSION OF NEVADA

LCB File No. R117-13

Effective June 23, 2014

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

AUTHORITY: §1, NRS 703.025, 704.110, 704.185, 704.187 and 704.210.

A REGULATION relating to energy; revising provisions relating to the allocation of certain costs of fuel and purchased power by an electric utility that uses deferred accounting; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires an electric utility that purchases fuel or power to use deferred accounting. (NRS 704.187) Existing regulations prescribe the procedure by which such an electric utility must allocate costs of fuel and purchased power in its deferred energy account and provide that such costs must be allocated by the ratio of jurisdictional sales to the total sales of energy. (NAC 704.101) This regulation requires such allocations to be made by the ratio of a jurisdiction's contribution to the output to lines.

Section 1. NAC 704.101 is hereby amended to read as follows:

704.101 ***1.*** Each electric utility and gas utility using deferred energy accounting shall maintain a deferred energy account. Entries must be made to the deferred energy account at the end of each month as follows:

[~~1.~~] ***(a)*** For electric operations:

[~~(a)~~] ***(1)*** A debit entry or credit entry, if negative, to a subaccount of FERC Account No. 182.3, if the cumulative month-end balance is a debit, or a subaccount of FERC Account No. 254, if the cumulative month-end balance is a credit, equal to the cost of both fuel for electric generation and purchased power, reduced for revenues from off-system sales, distributed to ***the*** applicable ~~[jurisdictional sales]~~ ***jurisdiction*** by the ratio of ~~[those jurisdictional sales to the total sales of energy, exclusive of off-system sales,]~~ ***the jurisdiction's contribution to the output to lines,*** less the amount of revenue derived by applying the base tariff energy rate to that month's applicable jurisdictional sales exclusive of interruptible irrigation sales.

~~[(b)]~~ ***(2)*** A separate credit entry or debit entry, if negative, equal to the amount of revenue derived by applying the appropriate deferred energy accounting adjustment to that month's applicable jurisdictional sales, exclusive of interruptible irrigation sales.

~~[(c)]~~ ***(3)*** A credit entry equal to the amount of revenue from interruptible irrigation sales.

~~[(d)]~~ ***(4)*** A credit entry equal to the jurisdictional amount of any cash refund, including interest if applicable, received from suppliers of fuel or purchased power.

~~[(e)]~~ ***(5)*** A separate debit entry or credit entry, if negative, equal to the product of the ending balance multiplied by one-twelfth of the authorized rate of return as provided in NAC 704.150.

~~[2.]~~ ***(b)*** For gas operations:

~~[(a)]~~ ***(1)*** A debit entry or credit entry to FERC Account No. 191, if negative, equal to the cost of purchased gas for the month distributed to applicable jurisdictional sales by the ratio of those jurisdictional sales to total sales, less the amount of the revenue derived by applying the base tariff energy rate to that month's applicable jurisdictional sales.

~~[(b)]~~ ***(2)*** A credit entry or debit entry, if negative, equal to the amount of revenue derived by applying the appropriate deferred energy accounting adjustment to that month's applicable jurisdictional sales.

~~[(c)]~~ ***(3)*** A credit entry equal to the jurisdictional amount of any cash refund, including interest if applicable, received from suppliers of purchased gas.

~~[(d)]~~ ***(4)*** A debit entry or credit entry, if negative, equal to the product of the ending balance multiplied by one-twelfth of the authorized rate of return as provided in NAC 704.150.

2. As used in this section, "output to lines" means the net generation by the system's own generation, plus purchased power and less energy applicable to off-system sales.