

**ADOPTED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R135-15

Effective June 28, 2016

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

AUTHORITY: §1, NRS 703.025, 704.100, 704.210 and 704.68865.

A REGULATION relating to public utilities; revising provisions governing the use of a letter of advice in lieu of an application by a public utility seeking approval for a change in a schedule of rates or services; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law generally requires a public utility to submit an application and obtain the approval of the Public Utilities Commission of Nevada to make a change in any schedule of rates or services. (NRS 704.110) However, existing law also provides that certain public utilities may make such a change by filing a letter of advice in lieu of an application if the proposed change does not change a rate or if the change results in an increase in annual gross operating revenue that does not exceed certain amounts set forth in statute. (NRS 704.100) If the public utility is a small-scale provider of last resort, the increase in its annual gross operating revenue resulting from the proposed change may not exceed \$50,000 or 10 percent of the public utility’s annual gross operating revenue, whichever is less. For certain other public utilities, the increase in annual gross operating revenue resulting from a proposed change, before the passage of Assembly Bill No. 75 of the 2015 Legislative Session, could not exceed \$2,500. A.B. 75 increased that amount to \$15,000. (Chapter 67, Statutes of Nevada 2015, at page 280) A.B. 75 also required a public utility that files a change by means of a letter of advice to include a certification or affidavit that the proposed change does not change a rate or result in an increase in the annual gross operating revenue of the public utility in an amount that exceeds the amount set forth in statute.

This regulation revises existing provisions governing the use of letters of advice to incorporate the statutory requirements applicable to small-scale providers of last resort and to conform to the changes made by A.B. 75. This regulation also clarifies that those provisions do not apply to a competitive supplier that is an incumbent local exchange carrier or to certain other public utilities.

Section 1. NAC 703.400 is hereby amended to read as follows:

703.400 1. A tariff sheet covering a service or commodity not previously furnished, a tariff sheet modifying an existing service and a tariff sheet that does not alter any rate or charge may be filed by a letter of advice as described in NAC 703.390.

2. ~~Am~~ *Except as otherwise provided in NRS 704.100, an* application to increase rates must be made in accordance with the provisions established for pleadings and motions and the requirements for public utilities requesting rate adjustments unless the rate increases generate annual gross revenues ~~[, as certified by the applicant, of \$2,500 or less.]~~ *that do not exceed:*

(a) Except as otherwise provided in paragraph (b), the amount set forth in paragraph (f) of subsection 1 of NRS 704.100; or

(b) If the public utility is a small-scale provider of last resort, the amount determined pursuant to paragraph (g) of subsection 1 of NRS 704.100.

3. If the proposed increases ~~[involve \$2,500 or less,]~~ *do not exceed the amounts established pursuant to subsection 2,* the Commission may accept the filing of a letter of advice ~~[.]~~ *in lieu of an application* if ~~[justification is fully set forth in that letter, without an application made pursuant to NAC 703.2201 to 703.2481, inclusive.]~~ :

(a) Except as otherwise provided in paragraph (b), the public utility satisfies the requirements of paragraph (f) of subsection 1 of NRS 704.100, including, without limitation, providing the certification or affidavit required by that paragraph; or

(b) If the public utility is a small-scale provider of last resort, the public utility satisfies the requirements of paragraph (g) of subsection 1 of NRS 704.100, including, without limitation, providing the certification or affidavit required by that paragraph.

4. A change to a tariff that is filed by letter of advice does not become effective until approved by the Commission.

5. A copy of the utility's tariff sheet approved by the Commission will be returned to the utility with a designation of the effective date and constitutes the utility's official copy of the approved tariff sheet on file with the Commission.

6. A competitive supplier that is an incumbent local exchange carrier shall not change any rates, pricing, terms and conditions of intrastate switched or special access service, universal lifeline service or access to emergency 911 service except upon the filing and approval of a letter of advice pursuant to subsection 3 of NRS 704.68873 or in accordance with NAC 704.75295.