

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

LCB File No. R202-24 (PUCN Docket No. 23-07024)

- 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. *See* 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 January 10, 2025, 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 January 27, 2025, 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 “*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 no such “affected” small businesses exist.

- 2. 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 Staff Delphi method to determine the potential impact of a regulation on small businesses.

- 3. 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.

4. 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 January 27, 2025, 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.

5. 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.

6. 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. *See also* Attachment 1.

7. 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.

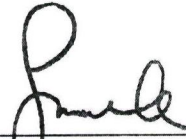
See Informational Statement accompanying the Regulation, Questions Nos. 9 and 10. See also Attachment 1.

8. 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 19 day of March 2026.



STEPHANIE MULLEN,
Executive Director
PUBLIC UTILITIES COMMISSION OF NEVADA

**PUBLIC UTILITIES COMMISSION OF NEVADA
MEMORANDUM**

DATE: January 7, 2025

TO: The Commission
Via Anne-Marie Cuneo, DRO

FROM: Georgina Daley, Assistant Staff Counsel

SUBJECT: Small Business Impact Report
Agenda 01-25; Item No. 5A; Docket No. 23-07024;
Rulemaking to amend, adopt, and/or repeal regulations in accordance with Senate Bill 281 (2023).

I. Introduction:

On July 25, 2023, the Public Utilities Commission of Nevada (“Commission”) opened a rulemaking to amend, adopt, and/or repeal regulations in accordance with Senate Bill (“SB”) 281. This matter was designated as Commission Docket No. 23-07024.

On September 19, 2023, the Commission issued a Notice of Rulemaking and Notice of Workshop. Additionally, the Presiding Officer issued a Procedural Order.

On January 10, 2024, Southwest Gas Corporation (“Southwest Gas”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra”) filed initial proposed draft regulations pursuant to the September 19, 2023, Procedural Order.

On February 7, 2024, the Commission held a workshop. The Regulatory Operations Staff of the Commission (“Staff”), the Nevada Bureau of Consumer Protection (“BCP”), Southwest Gas, Sierra, Advanced Energy United (“AEU”), Western Resource Advocates (“WRA”), Southwest Energy Efficiency Project (“SWEEP”), Nevada State Pipe Trades (“NSPT”), and Southern Nevada Gaming Group (“SNGG”) made appearances.

On February 14, 2024, the Presiding Officer issued Procedural Order No. 2, requesting comments, edits, and reply comments on the draft regulation, and scheduling a workshop.

On March 8, 2024, Sierra, WRA, AEU, BCP, Staff, NSPT, and SWEEP filed comments pursuant to Procedural Order No. 2.

On April 3, 2024, the Commission issued a Notice of Workshop.

On April 4, 2024, WRA filed reply comments pursuant to Procedural Order No. 2.

On April 5, 2024, Staff, AEU, Southwest Gas, BCP, and Sierra filed reply comments pursuant to Procedural Order No. 2.

On April 30, 2024, Southwest Gas filed a supplement to its April 5, 2024, reply comments.

On May 1, 2024, the Commission held a workshop. Staff, BCP, Southwest Gas, Sierra, AEU, WRA, SWEEP, NSPT, and SNGG made appearances.

On May 3, 2024, Southwest Gas filed an additional supplement to its April 5, 2024, reply comments.

On June 7, 2024, the Presiding Officer issued Procedural Order No. 3, soliciting comments and reply comments on draft regulations.

On June 27, 2024, WRA and SWEEP (together, "WRA & SWEEP") filed joint comments pursuant to Procedural Order No. 3.

On June 28, 2024, AEU, Sierra, Southwest Gas, BCP, and Staff filed reply comments pursuant to Procedural Order No. 3.

On July 11, 2024, WRA & SWEEP filed joint reply comments pursuant to Procedural Order No. 3.

On July 12, 2024, AEU, Staff, Southwest Gas, Sierra, and BCP filed reply comments pursuant to Procedural Order No. 3.

On July 26, 2024, the Commission issued a Notice of Workshop.

On August 28, 2024, WRA, SWEEP, and AEU filed joint supplemental comments.

On August 29, 2024, the Commission held a workshop. AEU, WRA, SWEEP, Sierra, Southwest Gas, BCP, and Staff made appearances. Additionally, the Presiding Officer issued Procedural Order No. 4, soliciting comments and reply comments in response to WRA, SWEEP, and AEU's joint supplemental comments.

On September 13, 2024, Staff, BCP, Southwest Gas, and Sierra filed reply comments pursuant to Procedural Order No. 4.

On September 20, 2024, WRA, SWEEP, and AEU filed joint reply comments pursuant to Procedural Order No. 4.

On September 30, 2024, the Presiding Officer issued Procedural Order No. 5, requesting comments, edits, and reply comments on the draft regulations.

On October 16, 2024, WRA, AEU, Staff, Sierra, SWEEP, and Southwest Gas, filed comments pursuant to Procedural Order No. 5.

On October 30, 2024, WRA, AEU, Staff, Sierra, SWEEP, and Southwest Gas filed reply comments pursuant to Procedural Order No. 5.

On November 25, 2024, the proposed regulation was submitted to the Legislative Counsel Bureau for preadoption review.

On December 10, 2024, the Commission issued Procedural Order No. 6, directing Staff to investigate pursuant to Nevada Revised Statutes (“NRS”) 233B.0608(1) whether the proposed regulation, attached to Procedural Order No. 6 as Attachment 1, 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 January 28, 2025, for Commission consideration.

II. Investigation and Analysis:

This briefing memo constitutes the Staff Report regarding the Small Business Impact of the proposed regulation as directed by Procedural Order No. 6.

Standard of Review

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.”

Methodology

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 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. Following receipt of the written responses, the Delphi participants engaged in a critique of the other participants’ responses, arriving at a consensus position.

The proposed regulation applies to certain public utilities in the business of supplying natural gas. SB 281 requires certain public utilities to file with the Commission a triennial plan designed to meet the current and future demand for natural gas at the lowest reasonable cost to the public utility and its customers; prohibits certain public utilities from filing a general rate case application under certain circumstances; revises provisions governing certain regulations the Commission is required to adopt with respect to certain public utilities; and provides other matters properly relating thereto.

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.

Long-Term Adverse Effects:

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

Long-Term Beneficial Effects:

Similar to the immediate adverse effects outlined herein, 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 regulation, including start-up and ongoing costs:

Under the proposed regulation, the Commission may incur on-going administrative costs to periodically review filings caused by the regulation, but the Commission should be able to absorb such costs resulting in no increased costs to the Commission.

As a result of the investigation, Staff concludes that the proposed regulation is intended to regulate the activities of electric 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 December 10, 2024, the Commission issued Procedural Order No. 6, 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. Conclusion:

The proposed regulation is intended to regulate the activities of natural gas utilities, not small businesses. Any potential indirect effects on small businesses are a result of SB 281, 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 to 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.

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Rulemaking to amend, adopt, and/or repeal)
regulations in accordance with Senate Bill 281) Docket No. 23-07024
(2023).)
_____)

At a general session of the Public Utilities Commission of Nevada, held at its offices on January 14, 2025.

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

ORDER

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

I. INTRODUCTION

On July 25, 2023, the Public Utilities Commission of Nevada (“Commission”) opened a rulemaking to amend, adopt, and/or repeal regulations in accordance with Senate Bill 281 (2023) (“SB 281”). This rulemaking is designated as Docket No. 23-07024.

II. SUMMARY

The proposed regulation in Docket No. 23-07024 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, and therefore a small business impact statement pursuant to Nevada Revised Statutes (“NRS”) 233B.0608(2) is not required.

III. PROCEDURAL HISTORY

- On July 25, 2023, the Commission opened a rulemaking, designated as Docket No. 23-07024, to amend, adopt, and/or repeal regulations in accordance with Senate Bill 281 (2023) (“SB 281”).
- This matter is being conducted pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 233B, 703, and 704, including, but not limited to, NRS 703.025 and 704.210, and SB 281.

- On September 19, 2023, the Commission issued a Notice of Rulemaking and Notice of Workshop. That same day, the Presiding Officer issued a Procedural Order.
- On January 10, 2024, Southwest Gas Corporation (“SWG”) and Sierra Pacific Power Company d/b/a NV Energy (“SPPC”) filed initial proposed draft regulations per the September 19, 2023, Procedural Order.
- On February 7, 2024, the Presiding Officer held a workshop. The Regulatory Operations Staff of the Commission (“Staff”), and the Nevada Bureau of Consumer Protection (“BCP”), SWG, SPPC, Advanced Energy United (“United”), Western Resource Advocates (“WRA”), Southwest Energy Efficiency Project (“SWEEP”), Nevada State Pipe Trades (“NSPT”), and Southern Nevada Gaming Group (“SNGG”) made appearances and discussed the draft regulations filed on January 10, 2024.
- On February 14, 2024, the Presiding Officer issued Procedural Order No. 2, requesting comments, edits, and reply comments on the draft regulations, and the scheduling of a workshop.
- On March 8, 2024, SPPC, WRA, United, BCP, Staff, NSPT, and SWEEP filed comments pursuant to Procedural Order No. 2.
- On April 3, 2024, the Commission issued a Notice of Workshop.
- On April 4, 2024, WRA filed reply comments pursuant to Procedural Order No. 2.
- On April 5, 2024, Staff, United, SWG, BCP, and SPPC filed reply comments per Procedural Order No. 2.
- On April 30, 2024, SWG filed a supplement to its April 5, 2024, reply comments.
- On May 1, 2024, the Presiding Officer held a workshop. Staff, BCP, SWG, SPPC, United, WRA, SWEEP, NSPT, and SNGG made appearances and discussed the proposed draft regulations and the filed comments, edits, and reply comments.
- On May 3, 2024, SWG filed an additional supplement to its April 5, 2024, reply comments.
- On June 7, 2024, the Presiding Officer issued Procedural Order No. 3, soliciting comments and reply comments on draft regulations.
- On June 27, 2024, WRA & SWEEP filed joint comments pursuant to Procedural Order No. 3.
- On June 28, 2024, United, WRA & SWEEP, SPPC, SWG, BCP, and Staff filed reply comments pursuant to Procedural Order No. 3.
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- On July 12, 2024, United, WRA & SWEEP, SPPC, SWG, BCP, and Staff filed reply comments pursuant to Procedural Order No. 3.
- On July 26, 2024, the Commission issued a Notice of Workshop.
- On August 28, 2024, WRA, SWEEP, & United filed supplemental comments.
- On August 29, 2024, the Presiding Officer held a workshop. United, WRA, SWEEP, SPPC, SWG, BCP, and Staff made appearances. On this same day, the Presiding Officer issued Procedural Order No. 4, soliciting comments and reply comments in response to WRA, SWEEP, & United's joint supplemental comments.
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- On October 30, 2024, BCP, SPPC, United, Staff, WRA, and SWEEP filed reply comments pursuant to Procedural Order No. 5.
- On November 25, 2024, a proposed regulation was submitted to the Legislative Counsel Bureau ("LCB") for preadoption review.
- On December 10, 2024, the Presiding Officer issued Procedural Order No. 6, requesting Staff to investigate whether the proposed regulation is likely to affect small businesses as contemplated in NRS 233B.0608(1).
- On January 10, 2025, Staff filed its small business impact report based on its investigation.

IV. SMALL BUSINESS IMPACT REPORT

Staff's Report

1. Staff conducted a Delphi Method exercise to determine the impact of this proposed regulation on small businesses. (Staff Report at 4.) 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 who are familiar with the subject matter of the proposed regulation. (*Id.*) 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 states that the proposed regulation will not directly restrict the formation, operation, or expansion of small businesses. (*Id.*) Staff states that the proposed regulation will not have immediate adverse effects on small businesses. (*Id.*) Staff states that the proposed regulation will not have any immediate beneficial effect on small businesses. (*Id.* at 5.)

3. Staff states that the proposed regulation will neither have any long-term adverse nor long-term beneficial effects on small businesses. (*Id.*)

4. Staff state that the Commission will not incur greater costs to administer the proposed regulation. (*Id.*)

5. Based on the foregoing, in accordance with NRS 233B.0608(1), Staff recommends that the Commission find that the proposed regulation in Docket No. 23-07024 is not likely to impose a direct and significant economic burden on small businesses, or to restrict the formation, operation, or expansion of small businesses. (*Id.* at 5-6.) Staff 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 regulations on small businesses. (*Id.*)

Commission Discussion and Findings


6. The Commission finds 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.

7. The Commission finds that the provisions of NRS 233B.0608 have been met.

Therefore, it is ordered that:

1. The proposed regulation in Docket No. 23-07024 does not impose a direct and significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of small businesses.

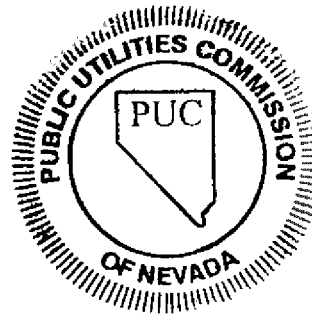
By the Commission,



TRISHA OSBORNE,
Assistant Commission Secretary
On behalf of the Commissioners

Certified: /s/ Stephanie Mullen
STEPHANIE MULLEN,
Executive Director

Dated: Carson City, Nevada
 1/27/25



(SEAL)