

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. R202-24

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

The regulation establishes requirements for regulated gas utilities in Nevada to file resource plans every three years to meet the current and future needs for natural gas at the lowest reasonable cost to the public utility and its customers, as required by NRS 704.991, 704.992, and 704.9925.

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, along with the public comments filed, were also made available at the website of the Public Utilities Commission of Nevada ("Commission"), <https://puc.nv.gov>. The proposed regulation, notice of intent to act upon the regulation, and notice of workshop and hearing were published in the following newspapers:

Elko Daily Free Press
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) The Commission held numerous rounds of workshops and solicited comments by interested stakeholders since opening this docket in 2023. Initially, Sierra Pacific Power Company d/b/a NV Energy ("Sierra") and Southwest Gas Corporation ("Southwest Gas") submitted draft regulations for the Commission's consideration. Numerous groups filed responses, replies, and follow-ups to the initial draft regulations, including Western Resource Advocates ("WRA"), Advanced Energy United ("United"), the Bureau of Consumer Protection ("BCP"), the Regulatory Operations Staff of the Commission ("Staff"), the Nevada State Pipe Trades ("NSTP"), the Southwest Energy Efficiency Project ("SWEEP"), Sierra, and Southwest Gas. The comments generally favored the draft regulations. Each comment by all parties during the pendency of the docket are available in the Commission's docket.

Since LCB's review and return of the draft regulations on September 12, 2025, the Commission published the returned regulations and solicited additional written comments and held the NRS 233B hearing and workshop. Staff stated that they would not file comments. WRA filed written comments generally supported the proposed regulation, but

stated that gas utilities should also perform load forecasting, provide additional context on utility investments, and include capital expenditures beyond the 3-year timeline contemplated in the draft regulation. Sierra and Southwest Gas did not submit written comments, but, at the hearing, provided clarifying comments.

(c) Copies of the transcripts of the proceedings are available for review at the offices of the Commission, 1150 East William Street, Carson City, Nevada 89701, and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148, and at the website of the Public Utilities Commission of Nevada ("Commission"), <https://puc.nv.gov>.

- 3. The number of persons who:**
 - (a) Attended each hearing: 5**
 - (b) Testified at each hearing: 6**
 - (c) Submitted written comments: 2**
- 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.**

Michael Knox
NV Energy
6100 Neil Road
Reno, Nevada 89511
(775) 834-5793
Michael.Knox@nvenergy.com

Stephanie Smith
Southwest Gas Corporation
PO BOX 2996
Las Vegas, Nevada 89193
(702) 364-3444
Stephanie.smith@swgas.com

Tori Sundheim
Public Utilities Commission of Nevada
1150 E. William St.
Carson City, Nevada 89701
(775) 684-6132

tnsundheim@puc.nv.gov

Georgina Daley
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148
(702) 486-2600
gdaley@puc.nv.gov

Michael Saunders
Bureau of Consumer Protection
8945 W. Russell Road, Suite 204
Las Vegas, Nevada 89148
(702) 486-3793
MSaunders@ag.nv.gov

Traci Cunningham
Holland & Hart, LLP on behalf of Southern Nevada Gaming Group
5740 Kietzke Lane, Ste 100
Reno, Nevada 89511
(775) 327-3000
TNCunningham@hollandhart.com

George Cavros
Western Resource Advocates
275 Hill St., Ste. 210
Reno, NV
(775) 430-4640
george.cavros@westernresources.org

5. **A description of how comments were 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 by the public.

The summary may be obtained as instructed in the response to question 2(c).

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 regulation language, as returned from LCB, accomplished the purpose of the rulemaking. Regarding the first suggestion, the draft regulations are adequate to evaluate the current and future needs for natural gas at the lowest reasonable costs to a public utility and its customers. Regarding SPPC and SWG's comments on the intent behind Section 5 in the draft regulations to have the word "calendar" after the "3-year period," as stated in Question 2b of the Informational Statement. The Commission and participants agreed that

modification to the draft regulations was not necessary because the intent is clear that the 3-year period means the 3-year calendar period.

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 establishes a clear, consistent method for regulated utilities to recover the costs related to the gas resource plan that will provide transparency and clarity around each gas utilities ability to deliver fuel at the lowest reasonable cost to the public and its customers.

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

The regulation does not regulate the public. To the extent that this regulation affects the public, the gas resource plan will provide for enhanced transparency in the utilities' planning, procurement, and programs for either reducing gas use, through energy efficiency programs, or conserve gas usage through other means. Reporting and implementation of the gas resource plan in a way to achieve the lowest reasonable cost for natural gas is likely to reduce energy burdens on 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.**

No regulations of other State or governmental agencies overlap or duplicate the regulation.

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

N/A.

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 independent Regulatory Operations Staff of the Commission (“Staff”) 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 their 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. 23-07024 on January 27, 2025.