

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066**  
**Informational Statement**  
**LCB File No. R003-14**

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

The regulation is needed to address issues related to the General Revenues Adjustment (“GRA”) mechanism. Accordingly, the regulation revises Chapter 704 of the Nevada Administrative Code (“NAC”) to address issues related to the GRA mechanism, and other issues related thereto.

**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 (“PUCN” or “Commission”), <http://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

Ely Times  
Las Vegas Review Journal  
Nevada Appeal  
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

First Judicial District Court  
885 East Musser Street  
Carson City, Nevada 89701

Second Judicial District Court  
75 Court Street  
Reno, Nevada 89501

Eighth Judicial District Court  
Regional Justice Center  
200 Lewis Avenue  
Las Vegas, Nevada 89155

(b) Comments regarding this matter were filed by the Attorney General’s Bureau of Consumer Protection (“BCP”), Southwest Gas Corporation (“SWG”), and the Regulatory Operations Staff of the Commission (“Staff”). The foregoing participants generally provided comments in response to the Commission’s questions, requests for analyses, and requests for additional information related to the GRA mechanism, and other issues related thereto.

(c) Copies of the transcripts of the proceedings are available for review at the offices of the PUCN at 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: 3**
  - (b) **Testified at each hearing: 3**
  - (c) **Submitted written statements: 3**
  
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  
Bureau of Consumer Protection  
10791 W. Twain Avenue, Suite 100  
Las Vegas, NV 89135  
(702) 486-3490  
pstuhff@ag.nv.gov

Kyle Stephens  
Southwest Gas Corporation  
5241 Spring Mountain Road  
Las Vegas, NV 89150  
(702) 876-7293  
kyle.stephens@swgas.com

Samuel Crano  
Regulatory Operations Staff of the PUCN  
1150 East William Street  
Carson City, NV 89701  
(775) 684-6152  
scrano@puc.nv.gov

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.

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.**

Revisions were made to the LCB-revised regulation that reorganizes and deletes some language within the regulation, and adds clarifying language. However, these revisions do not substantively change the LCB-revised regulation, but rather provide additional clarity to certain provisions of the regulation.

**7. The estimated economic effect of the regulation on the business which it is to regulate and on the public.**

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

The proposed regulation is expected to have beneficial immediate and long-term economic effects on the business which it is to regulate, gas utilities, and on small business. Regarding immediate beneficial effects, the proposed regulation calls for faster cost recovery on conservation and energy efficiency (“CEE”) programs, which may reduce overall costs for all ratepayers, with installations necessary to implement the CEE programs likely to benefit small business contractors, as well. Regarding long-term beneficial effects, similar to the foregoing short-term beneficial effects, lower carrying charges could lead to marginally lower rates for small businesses, and the proposed regulation could encourage the implementation of CEE programs, which could use small businesses as CEE installers. The proposed regulation is not expected to create any direct or significant immediate adverse economic effect on gas utilities. Moreover, the proposed regulation does not seem to imply any direct or significant long-term adverse economic effect on gas utilities.

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

The regulation does not regulate 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. The Commission and/or Regulatory Operations Staff will spend some time reviewing the information filed as required by the proposed regulation, but the incremental workload will be absorbed by existing Commission resources. At this time, it appears there will be no additional cost to the Commission for the enforcement of the proposed regulation.

**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 proposed regulation does not overlap or duplicate any federal, state, or local 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 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. 12-11009 on July 11, 2014.