



# Overview of the PUCN & Update regarding the Implementation of Legislation from the 2021 Session

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JOINT INTERIM STANDING COMMITTEE ON  
GROWTH AND INFRASTRUCTURE

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# Overview: Who We Are and What We Do

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The Public Utilities Commission of Nevada (PUCN) is a regulatory agency that ensures investor-owned utilities comply with laws enacted by the Nevada Legislature. The PUCN's basic regulatory duties, powers, and scope of work are defined by the Legislature and codified in statute. The PUCN's duties include:

- To provide for fair and impartial regulation of public utilities.
- To provide for the safe, economic, efficient, prudent and reliable operation and service of public utilities.
- To balance the interests of customers and shareholders of public utilities by providing public utilities with the opportunity to earn a fair return on their investments while providing customers with just and reasonable rates.
- To protect, further, and serve the public interest and provide effective protection for consumers who depend upon utility service.

The PUCN regulates approximately 400 utilities in the following categories:

- Energy (electric and gas)
- Water/Wastewater
- Telecom
- Rail

# Overview: Organizational Structure

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The PUCN is comprised of two distinct parts: the Commission and the Regulatory Operations Staff.

The PUCN has 105 employees, including 3 appointed Commissioners, and 15 different divisions comprised of consumer outreach specialists, engineers, accountants, economists, and lawyers.

The PUCN's biennial budget is approx. \$27.1 million, funded by a mill assessment on utility revenues.

# Types of PUCN Proceedings

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## **Contested Cases**

Applications

Customer Complaints

Show-Cause Proceedings

## **Rulemakings**

## **Petitions**

## **Investigations**

# Electric

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The PUCN fully regulates the operations of two electric utilities, Nevada Power Company in Southern Nevada and Sierra Pacific Power Company in Northern Nevada, each of which conducts business as NV Energy. The PUCN regulates only the service territory boundaries of cooperative associations that provide electric service to their members.

In the electric sector, the PUCN regularly presides over cases involving rate-setting, integrated resource planning, and permitting, as well as cases implementing numerous State policies and programs related to renewable energy development, energy efficiency and conservation, and consumer protection.

# Natural Gas

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The PUCN regulates two investor-owned natural gas utilities: Southwest Gas Corporation and Sierra Pacific Power Company d/b/a NV Energy. For these utilities, the PUCN holds proceedings to set rates and to implement legislative policies promoting energy conservation, the use of renewable natural gas, and expansion of natural gas infrastructure to provide service to new areas of the State.

The PUCN also licenses discretionary suppliers of natural gas, also known as alternative sellers of natural gas. These suppliers provide discretionary gas services to large industrial and commercial users in Nevada.

Additionally, the PUCN oversees gas pipeline safety in partnership with the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration Office of Pipeline Safety.

# Water/Wastewater

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The PUCN's primary regulatory activities related to investor-owned water and/or wastewater utilities include: ensuring the delivery of clean, safe and reliable water service to customers at reasonable rates; ensuring reliable sewer service to customers at reasonable rates; and monitoring quality of service, environmental compliance and financial performance.

The PUCN fully regulates the rates, service quality, and service territories of 27 investor-owned water and wastewater utilities serving approximately 22,300 customers in Nevada. The PUCN regulates the service territories, but not the rates or service quality, of water and wastewater utilities under the control of certain non-investor-owned governing bodies, such as cooperative associations or homeowners' associations.

# Rail

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The PUCN employs federally-certified personnel in specialized disciplines who perform inspections in focused areas of concentration under the Code of Federal Regulations Title 49: Department of Transportation.

The PUCN employs inspection personnel in the following disciplines:

- Operations Practices Inspector
- Motive Power and Equipment Inspector
- Track Inspector
- Hazardous Materials Inspector



# Telecommunications

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The PUCN certifies competitive suppliers of telecommunications and small-scale providers of last resort. While small-scale providers are rate-regulated, the PUCN does not regulate the rates charged by competitive suppliers. There are approximately 322 telecommunications providers in Nevada. The PUCN does not regulate long distance telephone service, paging service, Internet service, Voice over Internet Protocol (VoIP), and other telecommunications competitive products and services such as pay phones.

The PUCN's telecommunication regulatory duties include the following: certifying competitive suppliers; licensing wireless providers; reviewing eligible telecommunications carriers' applications to apply for discounted rates for low-income consumers, schools, libraries, and rural health providers; ensuring telecommunication services are available in rural areas at rates comparable to rates in urban areas; and reviewing and approving performance measurement and performance incentive plans.

# Additional Duties

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Utility regulation is becoming increasingly complex and has changed from merely traditional rate regulation of electricity, natural gas, investor-owned water and sewer utilities, and telecommunication to include, among other things:

- Consumer Protection
- Integrated resource planning- including distributed resource planning, natural disaster planning, and planning for RPS compliance and carbon-emissions reduction goals
- Environmental permitting
- Economic development
- Oversight of incentive programs for distributed energy resources (such as rooftop solar, wind turbines, waterpower systems, and energy storage systems) and electric vehicle infrastructure
- Pipeline safety enforcement
- Gas infrastructure replacement
- Coordination with federal regulatory authorities such as the Federal Communications Commission, Federal Energy Regulatory Commission, Department of Transportation (Pipeline and Hazardous Materials Safety Administration and Federal Railroad Administration), National Transportation Safety Board, Environmental Protection Agency, and Department of the Interior (Bureau of Land Management)

# Recent Legislative Policies

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The following utility-related bills passed during the 2021 legislative session and are being implemented by the PUCN:

Senate Bill 448

Senate Bill 14

Senate Bill 18

Senate Bill 59

Senate Bill 77

Senate Bill 387

Assembly Bill 154

Assembly Bill 173