

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

LCB File No. R071-07

August 6, 2007

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

AUTHORITY: §1, NRS 703.025 and 703.320; §§2-16 and 18-21, NRS 703.025, 704.187 and 704.210; §17, NRS 703.025, 704.187, 704.210 and 704.215.

A REGULATION relating to public utilities; revising provisions governing deferred accounting by certain electric and gas utilities; and providing other matters properly relating thereto.

Section 1. NAC 703.160 is hereby amended to read as follows:

703.160 1. The Secretary shall cause public notice of each filing or proceeding described in subsection 11 to be published in the manner prescribed in this section. The publisher of the public notice shall, not later than 5 days after publication of the notice, provide to the Commission proof of the publication of the notice. The proof must include:

- (a) The name of the newspaper in which the notice was published;
- (b) The name of the county in which the notice was published;
- (c) A statement signed by the publisher that the newspaper in which the notice was published is a newspaper of general circulation in the county in which the notice was published; and
- (d) The date of the publication of the notice.

2. Except as otherwise provided in this section, if the Secretary determines that the filing or proceeding will have:

(a) A statewide effect, the Secretary shall cause the public notice to be published once in four or more newspapers of general circulation in this State, no two of which are published in the same county.

(b) An effect on a limited number of counties, the Secretary shall cause the public notice to be published once in a newspaper of general circulation in each county affected. If there is no newspaper published in an affected county, the Secretary shall cause the public notice to be published once in a newspaper of general circulation in an adjoining county.

3. For a petition filed pursuant to NAC 703.290, the Secretary shall cause a public notice to be published once in a newspaper of general circulation in the county in this State where the principal place of operations of the incumbent local exchange carrier is located. As used in this subsection, “incumbent local exchange carrier” has the meaning ascribed to it in NAC 704.75993.

4. The Secretary will, if practicable, post each business day on the Internet website of the Commission a current list of all public notices published pursuant to this section.

5. The public notice must be an advertisement which is not less than 1 column inch by 3 inches, with a border on all sides, and must include, as appropriate:

(a) At the beginning of the notice, a title that generally describes the relief requested or the type of proceeding scheduled;

(b) The name of the applicant, complainant or petitioner or the name of the agent for the applicant, complainant or petitioner;

(c) A brief description of the purpose of the filing or proceeding, including, without limitation, a clear and concise introductory statement that summarizes the relief requested or the type of proceeding scheduled and the effect of the relief or proceeding upon consumers;

(d) The location where the filing is on file for the public or the location and time for the proceeding; and

(e) The date by which persons must file comments, notices of intent to participate as a commenter or petitions for leave to intervene with the Commission.

↪ The public notice must be published prominently so that it is reasonably calculated to notify affected persons.

6. If the notice is:

(a) A public notice for a hearing, the Secretary shall cause the notice of hearing to be:

(1) Served on each party and published at least 10 days before the hearing is held; and

(2) Posted at the principal office of the Commission at least 3 days before the hearing is

held.

(b) For a filing or a proceeding other than a hearing, the Secretary shall cause the public notice to be published in the appropriate newspapers not less than 3 working days before the proposal in the filing becomes effective or the proceeding is held.

7. The applicant, complainant or petitioner shall pay the cost of the publication.

8. On a weekly basis, the Commission will cause to be published a summary of public notices concerning the filings and proceedings described in subsection 11. The summary of public notices will be published in the Sunday edition of a newspaper of general circulation in Carson City and such other newspapers as determined by the Secretary.

9. If public notice of a filing or proceeding is published by the Secretary pursuant to this section, the Secretary's notice shall be deemed to be legally sufficient public notice of the filing or proceeding, even if public notice in the summary of public notices is deficient or fails to be published pursuant to this section.

10. If public notice of a filing or proceeding is published in the summary of public notices pursuant to this section, the public notice in the summary of public notices shall be deemed to be legally sufficient public notice of the filing or proceeding, even if the Secretary's public notice is deficient or fails to be published pursuant to this section.

11. The provisions of this section apply to the following filings or proceedings:

(a) An application or tariff filing involving any authorization, expansion, reduction or curtailment of services, facilities or authority, any increase in rates, fares or charges, or any change in regulations.

(b) A complaint filed with the Commission pursuant to NAC 703.651.

(c) A petition.

(d) A prehearing conference.

(e) A workshop.

(f) A consumer session.

(g) A hearing.

12. The provisions of this section do not apply to a quarterly rate adjustment made pursuant to subsection 8 *or* 9 of NRS 704.110.

Sec. 2. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this regulation.

Sec. 3. *“Electric utility that primarily serves densely populated counties” has the meaning ascribed to it in NRS 704.110.*

Sec. 4. *“Electric utility that primarily serves less densely populated counties” has the meaning ascribed to it in NRS 704.110.*

Sec. 5. NAC 704.023 is hereby amended to read as follows:

704.023 As used in NAC 704.023 to 704.195, inclusive, *and sections 3 and 4 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 704.024 to 704.063, inclusive, *and sections 3 and 4 of this regulation* have the meanings ascribed to them in those sections.

Sec. 6. NAC 704.024 is hereby amended to read as follows:

704.024 “Adjustment date” means the end of the *calendar year for an electric utility or the end of the* calendar month selected by ~~the electric utility or~~ a gas utility for the purposes of a deferred energy application.

Sec. 7. NAC 704.030 is hereby amended to read as follows:

704.030 “Amortization period” means:

1. For an electric utility, such period, not to exceed ~~36~~ *12* months, after the end of the prior related test period, as determined by the Commission.
2. For a gas utility, such ~~12-month~~ period, *not to exceed 12 months*, after the end of the prior related test period, as determined by the Commission.

Sec. 8. NAC 704.032 is hereby amended to read as follows:

704.032 “Base tariff energy rate” means:

1. For an electric utility, the rate determined by dividing the cost of fuel for electric generation and purchased power by ~~applicable sales as described in NAC 704.130;~~ *the total megawatt-hours that have been sold, exclusive of nonfirm sales, for the test period, except that if a specific fuel or purchased power contract specifies a beneficiary, the costs and benefits must be allocated pursuant to the terms and conditions of the contract;*
2. For a gas utility that does not make quarterly rate adjustments, the rate determined by dividing the cost of purchased gas by the applicable sales as described in NAC 704.135; or

3. For a gas utility that makes quarterly rate adjustments, the rate determined pursuant to the methodology determined by the Commission pursuant to section 5 of LCB File No. R202-05 ~~as proposed~~ *which was adopted* by the Public Utilities Commission of Nevada ~~and~~ *and which was filed with the Secretary of State on November 13, 2006.*

Sec. 9. NAC 704.039 is hereby amended to read as follows:

704.039 “Deferred energy application” means an application filed by ~~an~~ :

1. An electric utility pursuant to NRS 704.187 and subsection 9 of NRS 704.110; or

2. A gas utility to clear its deferred energy accounts pursuant to NAC 704.023 to 704.195,

inclusive.

Sec. 10. NAC 704.045 is hereby amended to read as follows:

704.045 “Deferred energy balance” means the amount contained in FERC Account Nos.

~~186~~ *182.3* and 191, and represents the sum of:

1. The difference between revenue received from the base tariff energy rate and the jurisdictional allocation of the amounts contained in the appropriate accounts listed in paragraphs (a), (b), (c) and (e) of subsection 2 of NAC 704.120;

2. The amount resulting from the application of the deferred energy accounting adjustment to sales, as contained in the appropriate revenue accounts;

3. The Nevada jurisdictional portion of refunds from suppliers, including any interest earned thereon; and

4. Carrying charges as described in NAC 704.150.

Sec. 11. NAC 704.101 is hereby amended to read as follows:

704.101 Each electric utility and gas utility using deferred energy accounting shall maintain a deferred energy account and, if applicable, such an electric utility shall maintain appropriate

subaccounts. Entries must be made to the deferred energy account and any appropriate subaccounts at the end of each month as follows:

1. For electric operations:

(a) A debit entry or credit entry to FERC Account ~~186.1~~ *No. 182.3*, if negative, equal to the cost of both fuel for electric generation and purchased power, reduced for revenues from nonfirm sales, distributed to applicable jurisdictional sales by the ratio of those jurisdictional sales to the total sales of energy, exclusive of nonfirm sales, less the amount of revenue derived by applying the base tariff energy rate to that month's applicable jurisdictional sales.

(b) Each subaccount must receive a separate credit entry or debit entry, if negative, equal to the amount of revenue derived by applying the appropriate deferred energy accounting adjustment to that month's applicable jurisdictional sales.

(c) A credit equal to the jurisdictional amount of any cash refund, including interest if applicable, received from its fuel or suppliers of purchased power.

(d) Each subaccount must receive a separate debit entry or credit entry, if negative, equal to the product of the ending balance multiplied by one-twelfth of the authorized rate of return as provided in NAC 704.150.

2. For gas operations:

(a) A debit entry or credit entry to FERC Account *No. 191*, if negative, equal to the cost of purchased gas for the month distributed to applicable jurisdictional sales by the ratio of those jurisdictional sales to total sales, less the amount of the revenue derived by applying the base tariff energy rate to that month's applicable jurisdictional sales.

(b) A credit entry or debit entry, if negative, equal to the amount of revenue derived by applying the appropriate deferred energy accounting adjustment to that month's applicable jurisdictional sales.

(c) A credit entry equal to the jurisdictional amount of any cash refund, including interest if applicable, received from suppliers of purchased gas.

(d) A debit entry or credit entry, if negative, equal to the product of the ending balance multiplied by one-twelfth of the authorized rate of return as provided in NAC 704.150.

Sec. 12. NAC 704.105 is hereby amended to read as follows:

704.105 An account for energy cost adjustments must:

1. Contain contra entries to:
 - (a) FERC Account No. ~~186.1~~ **182.3**, for electric operations; or
 - (b) FERC Account No. 191, for gas operations.
2. Be debited or credited with the amount of the amortized energy cost differential for each month of each period of amortization.
3. Be maintained in a manner consistent with:
 - (a) FERC Account No. ~~186.1~~ **182.3**, for electric operations; or
 - (b) FERC Account No. 191, ~~191~~ for gas operations.

Sec. 13. NAC 704.111 is hereby amended to read as follows:

- 704.111 1. For each electric utility:
- (a) The electric utility shall clear annually any debit or credit balance in FERC Account No. ~~186.1~~ **182.3** over an approved period by dividing the cumulative debit or credit balance by the total Nevada jurisdictional kilowatt-hours which have been sold during the test period. The

resulting positive or negative deferred energy accounting adjustment must be applied to each Nevada jurisdictional customer's monthly use of energy expressed in kilowatt-hours.

~~(b) If the electric utility requests or is ordered to clear any debit or credit balance in FERC Account No. 186 over an amortization period exceeding 12 months, the cumulative debit balance, subject to subsection 3, or credit balance at the end of the test period must be transferred to a separate subaccount. The cumulative balance must be multiplied by the ratio of 12 months to the number of months in the extended amortization period. The debit or credit amount so derived must be divided by the Nevada jurisdictional kilowatt hours sold during the test period. The resulting positive or negative deferred energy accounting adjustment must be applied to each Nevada jurisdictional customer's monthly use of energy expressed in kilowatt hours. At the end of the amortization period, any remaining balance must be transferred to the nonsegregated deferred account subaccount.~~

~~—(c)~~ The electric utility shall not bill or credit the deferred energy accounting adjustment to the customers of the electric utility until authorized by the Commission after a proper deferred energy application is made therefor.

2. For each gas utility:

(a) The gas utility shall clear annually any debit or credit balance in FERC Account No. 191 by dividing the cumulative debit or credit balance by the total Nevada jurisdictional therms which have been sold during the test period. The resulting positive or negative deferred energy accounting adjustment must be applied to each Nevada jurisdictional customer's monthly use of energy expressed in therms.

(b) The gas utility shall not bill or credit the deferred energy accounting adjustment to the customers of the gas utility until authorized by the Commission after a proper deferred energy application or annual rate adjustment application is made therefor.

3. The recovery of a debit balance in FERC Account No. ~~186.1~~ 182.3, for electric operations, or FERC Account No. 191, for gas operations, must be limited by the most recently authorized Nevada jurisdictional rate of return for the specific operation of the electric utility or gas utility. If the Nevada jurisdictional rate of return submitted for an operating department of the electric utility or gas utility exceeds the most recently authorized rate of return for the utility, an amount equal to the amount which exceeds the utility's last authorized rate of return must be carried forward to the next test period.

Sec. 14. NAC 704.116 is hereby amended to read as follows:

704.116 1. Except as otherwise provided in subsection 2 or 3, each electric utility and gas utility shall file annually with the Commission a deferred energy application for each of its jurisdictional operating departments in this State setting forth its calculations of the deferred energy accounting adjustment and the base tariff energy rate.

2. ~~An electric utility or~~ A gas utility that is not authorized to make quarterly rate adjustments may file with the Commission a semiannual deferred energy application if the net change in revenue necessary to clear the change in the deferred energy account balance at the end of the 6-month period exceeds plus or minus 5 percent of the total revenue at the last authorized rates for ~~fuel for electric generation and purchased power or~~ purchased gas.

3. A gas utility that makes quarterly rate adjustments pursuant to subsection 8 of NRS 704.110 shall file an annual rate adjustment application with the Commission for each of its jurisdictional operating departments in this State, setting forth its calculations of the deferred

energy accounting adjustment. The annual rate adjustment application must be filed not later than the date specified by the Commission pursuant to subsection 3 of section 5 of LCB File No. R202-05 ~~as proposed~~ *which was adopted* by the Public Utilities Commission of Nevada ~~and~~ *which was filed with the Secretary of State on November 13, 2006.*

4. Each electric utility ~~and gas utility~~ shall file its deferred energy application *pursuant to subsection 3 of NRS 704.187. Each gas utility shall file its deferred energy application* not later than 45 days after the adjustment date.

5. If an electric utility files a deferred energy application while a general rate application is pending before the Commission, the electric utility shall:

(a) Submit with its deferred energy application information relating to the cost of service and rate design; and

(b) Supplement its general rate application with the same information, if such information was not submitted with the general rate application.

6. The deferred energy accounting adjustment of an electric utility or gas utility must be calculated pursuant to NAC 704.101 and 704.111.

7. ~~The base tariff energy rate of an electric utility must be calculated pursuant to NAC 704.130.~~

~~8.]~~ The base tariff energy rate of a gas utility that is not authorized by the Commission to make quarterly rate adjustments must be calculated pursuant to NAC 704.135.

~~9.]~~ 8. The base tariff energy rate of ~~an electric utility or gas utility, other than~~ a gas utility that is *not* authorized by the Commission to make quarterly rate adjustments ~~and~~ remains in effect until a revised rate is authorized by the Commission.

~~[10.]~~ 9. The deferred energy accounting adjustment of an electric utility or gas utility remains in effect until the end of the designated amortization period or until an amended rate is authorized by the Commission, whichever occurs first.

Sec. 15. NAC 704.117 is hereby amended to read as follows:

704.117 ~~[1.—If an electric utility provides notice in its deferred energy application, the electric utility may update its base tariff energy rate calculation 60 days after filing its deferred energy application.~~

~~—2.—An electric utility may file an application to revise its base tariff energy rate if it does not have pending a deferred energy application pursuant to subsection 2 of NAC 704.116. An electric utility that files an application to revise its base tariff energy rate must:~~

~~—(a) Submit the application to revise its base tariff energy rate not less than 120 days before the adjustment date for the deferred energy application filed pursuant to subsection 1 of NAC 704.116; and~~

~~—(b) Calculate the base tariff energy rate pursuant to NAC 704.130.~~

~~—3.]~~ In accordance with subsection 7 of NRS 704.110, a gas utility may file an application to revise its base tariff energy rate every 30 days ~~[~~

~~—4.—If an electric utility files an application to revise its base tariff energy rate pursuant to subsection 2 and the Commission authorizes a revised rate, the Commission will provide that the revised rate becomes effective on the day following the adjustment date for the deferred energy application filed pursuant to subsection 1 of NAC 704.116.]~~

unless the Commission has approved a quarterly rate adjustment pursuant to NRS 704.100 and 704.110.

Sec. 16. NAC 704.118 is hereby amended to read as follows:

704.118 1. An electric utility or gas utility that files a deferred energy application pursuant to NAC 704.116, ~~[an electric utility that files an application to revise its base tariff energy rate pursuant to subsection 2 of NAC 704.117,]~~ a gas utility that files an application to revise its base tariff energy rate pursuant to ~~[subsection 3 of]~~ NAC 704.117 or a gas utility that files an annual rate adjustment application pursuant to subsection 3 of NAC 704.116 shall:

(a) Within 10 days after filing the application, make available at each of its business offices a complete copy of the application in such form and place as to be readily accessible to and conveniently inspected by the public;

(b) Within 10 days after filing the application, print in plain type and post at each of its business offices, in such form and place as to be readily accessible to and conveniently inspected by the public, a notice stating that the application has been filed with the Commission, describing briefly the purpose of the application, indicating that the complete application is available for public inspection on the premises and setting forth the locations where additional information may be obtained; and

(c) Within 20 days after filing the application, submit to the Commission affidavits that indicate that the application has been filed and that the utility has complied with the provisions of paragraphs (a) and (b).

2. After the Commission has scheduled a date for a hearing on the application, the applicant shall, at least 10 days before the scheduled date of the hearing, give notice to its customers who are affected by the proposed increase. The first paragraph of the notice must state the date, time and place of the hearing, the total amount of the proposed increase in dollars, the estimated proposed monthly increase in dollars and the proposed percentage of increase for each class of customer or class of service. The notice must also state that the Commission may set rates which

may be higher or lower than the rates proposed in the application and that additional information may be obtained from the Commission or at the offices of the electric or gas utility filing the application. The notice must be given by at least two of the following methods:

- (a) Inclusion in the regular bill of charges transmitted to the applicant's customers.
- (b) Separate mailing to each of the applicant's customers.
- (c) Prominent presentation in one or more forms of the media, including newspapers,

television and radio, so that the notice will likely reach the applicant's customers.

3. At or before the hearing, the applicant must submit a verified statement to the Commission that the notice required in subsection 2 has been given. The statement must:

(a) Set forth the means by which, and the dates and times when, the notice was mailed, published or broadcast; and

(b) Include, as an attachment, a copy of the notice as mailed, published or transcribed.

4. *An electric utility that is authorized to make quarterly rate adjustments shall, for each quarterly rate adjustment, provide:*

(a) Notice to the Commission pursuant to the provisions of paragraph (a) of subsection 9 of NRS 704.110, including, without limitation:

(1) A copy of the notice of the quarterly rate adjustment that the electric utility will provide to its customers;

(2) Supporting information for all amounts shown in the notice of the quarterly rate adjustment that the electric utility will provide to its customers; and

(3) The calculations supporting the change in its base tariff energy rate;

(b) Notice to its customers as required pursuant to the provisions of paragraph (b) of subsection 9 of NRS 704.110; and

(c) A copy of the notice provided pursuant to paragraph (a) to the Regulatory Operations Staff of the Commission and to the Bureau of Consumer Protection in the Office of the Attorney General.

5. A gas utility that is authorized to make quarterly rate adjustments shall, for each quarterly rate adjustment, provide:

(a) Notice to the Commission pursuant to the provisions of paragraph (a) of subsection 8 of NRS 704.110, including, without limitation:

(1) A copy of the notice of the quarterly rate adjustment that the gas utility will provide to its customers;

(2) Supporting information for all amounts shown in the notice of the quarterly rate adjustment that the gas utility will provide to its customers; and

(3) The calculations supporting the change in its base tariff energy rate;

(b) Notice to its customers as required pursuant to the provisions of paragraph (b) of subsection 8 of NRS 704.110; and

(c) A copy of the notice provided pursuant to paragraph (a) to the Regulatory Operations Staff of the Commission and to the Bureau of Consumer Protection in the Office of the Attorney General.

Sec. 17. NAC 704.120 is hereby amended to read as follows:

704.120 1. The Commission hereby adopts by reference from the Uniform System of Accounts of the Federal Energy Regulatory Commission those accounts enumerated in this section as FERC accounts. These accounts are contained in 18 C.F.R. Parts 101 and 201, and the volume of the Code of Federal Regulations containing these ~~[parts]~~ *Parts* may be purchased from the Superintendent of Documents, United States Government Printing Office, P.O. Box 371954,

Pittsburgh, Pennsylvania 15250-7954, or toll-free at (866) 512-1800, for the price of ~~[\$56.]~~ \$62,
or these Parts may be obtained free of charge on the Internet at

<http://www.gpoaccess.gov/cfr/index.html>

2. The following accounts are hereby adopted:

(a) Fuel for electric generation, FERC Account Nos. 501 and 547.

(b) Purchased power, FERC Account No. 555.

(c) Transmission of electricity by others, FERC Account No. 565.

(d) Income tax accounts, electric and gas, FERC Account Nos. 190, 236, 283, 409.1, 410.1
and 411.1.

(e) Gas for resale, FERC Account Nos. 728, 755, 760, 777, 800 to 809.2, inclusive, 811, 812
and 858.

(f) Purchased gas cost adjustments, FERC Account No. 805.1.

(g) Unrecovered purchased gas costs, FERC Account No. 191.

(h) Interest and dividend income, FERC Account No. 419.

(i) Miscellaneous deferred debits, electric, FERC Account No. ~~[186.]~~ 182.3.

(j) Other expenses, FERC Account No. 557.

Sec. 18. NAC 704.145 is hereby amended to read as follows:

704.145 1. FERC Account Nos. ~~[186.]~~ 182.3 and 557 must be used in Nevada
jurisdictional electric operations for deferred energy accounting to record monthly entries in the
manner prescribed in NAC 704.101 and 704.105.

2. FERC Account Nos. 191 and 805.1 must be used in Nevada jurisdictional gas operations
to record the monthly entries in the manner prescribed in NAC 704.101 and 704.105.

3. The contra entries to the deferred energy accounts referred to in subsections 1 and 2 must be made to FERC Account No. 557, for electric cost differentials, and FERC Account No. 805.1, for gas cost differentials.

4. The income tax effect applicable to the debit and credit entries to the deferred energy accounts set forth in NAC 704.023 to 704.195, inclusive, *and sections 3 and 4 of this regulation* must be recorded in the following FERC accounts:

- (a) FERC Account No. 410.1 - Provision for deferred income taxes, utility operating income.
- (b) FERC Account No. 283 - Accumulated deferred income taxes, other.
- (c) FERC Account No. 411.1 - Provision for deferred income taxes, credit, utility operating income.
- (d) FERC Account No. 190 - Accumulated deferred income taxes.
- (e) FERC Account No. 409.1 - Income taxes, utility operating income.
- (f) FERC Account No. 236 - Taxes accrued.

↳ These accounts must be maintained by test period so as to separate the income tax effect between electric and gas operations. The accounts must be maintained in a manner consistent with FERC Account No. 191, for gas operations, and FERC Account No. ~~186.1~~ 182.3, for electric operations.

Sec. 19. NAC 704.150 is hereby amended to read as follows:

704.150 1. Except as otherwise provided in subsection 3, a carrying charge must be computed on the current debit or credit balance at the end of each month in FERC Account No.

~~186.1~~ 182.3, for electric operations, or FERC Account No. 191, for gas operations, and must be respectively debited or credited to the account at the rate of one-twelfth of the overall rate of return as authorized by the Commission for the particular department or division of the electric utility or gas utility. The rate of the carrying charge must be applied to the entire balance in FERC Account No. ~~186.1~~ 182.3, for electric operations, or FERC Account No. 191, for gas operations.

2. The contra entries for the carrying charge must be made to FERC Account No. 419, for gas operations.

3. If, in any month, the Nevada jurisdictional earned rate of return for an operating department of the electric utility or gas utility for the test period exceeds the overall rate of return last authorized by the Commission for that department, and if the monthly balance in FERC Account No. ~~186.1~~ 182.3, for electric operations, or FERC Account No. 191, for gas operations, is a debit, an adjustment amount will be calculated equal to the amount which exceeds the utility's last authorized rate of return. Carrying charges may accrue only on that portion of the debit balance which exceeds the adjustment amount.

Sec. 20. Section 4 of LCB File No. R202-05, which was adopted by the Public Utilities Commission of Nevada and which was filed with the Secretary of State on November 13, 2006, is hereby amended to read as follows:

Sec. 4. "Quarterly rate adjustment" means a quarterly adjustment to the base tariff energy rate of ~~1a~~:

1. An electric utility for purchased fuel or power based on changes in the utility's recorded energy costs; or

2. A gas utility based on changes in the utility's recorded costs of natural gas purchased for resale.

Sec. 21. NAC 704.130 is hereby repealed.

TEXT OF REPEALED SECTION

704.130 Calculation of forecasted and historic base tariff energy rate and recommendation of preferred base tariff energy rate: Electric. (NRS 703.025, 704.187, 704.210)

1. An electric utility shall, pursuant to subsections 2 and 3, calculate a forecasted and a historic base tariff energy rate (BTER) for fuel for electric generation and for purchased power and recommend its preferred base tariff energy rate to the Commission.

2. The electric utility shall calculate a forecasted base tariff energy rate based on the period during which the base tariff energy rate is anticipated to be in effect, using an appropriate production cost model, sales forecast and fuel and purchased power cost forecast.

3. The electric utility shall calculate a historic base tariff energy rate based on the following formula:

Where:

MG = Units of fuel used for the test period by each generating station for each type of fuel used.

UG = The latest experienced unit cost, for a reasonably significant volume purchased, for each type of fuel used in each generating station.

FG = Other latest known costs associated with fuel used in electric generation as enumerated in the accounts specified in paragraph (a) of subsection 2 of NAC 704.120.

PPF = Total megawatt-hours purchased under firm obligation and net associated interchanged power for the test period.

UPF = The latest experienced unit energy costs for firm power and associated net interchanged power from each supplier.

PPN = Total megawatt-hours purchased under nonfirm sales and associated net interchange power for the test period.

UPN = The average weighted cost for nonfirm power and associated net interchange power purchased during the test period (recorded cost).

FP = Fixed costs associated with the purchase and net interchange of power as may be enumerated in the account specified in paragraph (b) of subsection 2 of NAC 704.120.

T = Total sales of megawatt-hours which have been sold, exclusive of nonfirm sales, for the test period.

Then:

$$((MG \times UG) + FG) + ((PPF \times UPF) + (PPN \times UPN) + FP)$$

$$BTER = \frac{\quad}{\quad}$$

T