

LCB File No. R073-07

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

Docket No. 07-01010

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

NAC 704.150 Carrying charges

1. Except as otherwise provided in subsection 3, a carrying charge must be computed on the current *average monthly* debit or credit balance ~~at the end of each month~~ in FERC Account No. 186, for electric operations, or FERC Account No. 191, for gas operations, and must be respectively debited or credited to the account at the *carrying charge* 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 *adjusted for federal income tax applicable to the equity component of the overall rate of return computed at the applicable statutory rate*. The rate of the carrying charge must be applied to the entire balance in FERC Account No. 186, for electric operations, or FERC Account No. 191, for gas operations~~[-]~~, *net of applicable accumulated deferred income taxes, as set forth below:*

Carrying charge = Carrying charge rate x (average deferred energy balance for the month x (1 – statutory deferral income tax rate))

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 *average* monthly balance in FERC Account No. 186, 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. *The Nevada jurisdictional earned rate of return will be calculated quarterly using the twelve-months ended with the last month of the quarter and shall apply to the carrying charge calculation in each month of that quarter.* Carrying charges may accrue only on that portion of the debit balance which exceeds the adjustment amount.