

Chapter 703 of NAC

LCB File No. T005-08

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

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Investigation and rulemaking to adopt, amend, or repeal)	
regulations pertaining to Chapters 703 and 704 of the)	
Nevada Administrative Code regarding general rate cases)	Docket No. 08-01007
and other related utility matters in accordance with)	
Assembly Bill No. 103.)	
_____)	

NOTICE OF INTENT TO ADOPT, AMEND, REPEAL REGULATIONS

On March 15, 2007, the Public Utilities Commission of Nevada (“Commission”) voted to open an investigation and rulemaking to adopt, amend, or repeal regulations pertaining to Chapters 703 and 704 of the Nevada Administrative Code (“NAC”) regarding general rate cases and other related utility matters in accordance with Assembly Bill No. 103. This matter has been designated as Commission Docket No. 08-01007.

This matter is being conducted by the Commission pursuant to the Nevada Revised Statutes (“NRS”) and NAC Chapters 233B, 703, and 704, including but not limited to, NRS 704.210.

The following information is provided pursuant to the requirements of NRS 233B.0603:

The proposed temporary regulations pertaining to a statement of expected changes in circumstances in a general rate case filing are needed to provide guidance to applicants filing a general rate case pursuant to subsection four of Nevada Revised Statute (“NRS”) 704.110.

The proposed temporary regulations pursuant to NRS 233B.063 include, without limitation, the following:

a) a requirement that the utility provide a statement of whether it intends to include certification adjustments pursuant to subsection 3 of NRS 704.110 and/or has included a statement of expected changes in circumstances in accordance with subsection 4 of NRS 704.110;

b) clauses stating that an applicant may elect to make both a certification filing pursuant to subsection 3 of NRS 704.110 and file a statement of expected changes in circumstances pursuant to subsection 4 of NRS 704.110;

c) a requirement to clearly disclose, in separate columns, recorded data, adjustments to recorded data, and certification adjustments;

d) presentation requirements for the summary of overall results of operations;

e) presentation requirements for a certification filing if an applicant is filing pursuant to both subsections 3 and 4 of NRS 704.110;

f) a requirement for filing a depreciation study at intervals not exceeding 6 years (which is double the current 3-year statutory general rate case cycle), replacing the existing 4 year interval (which is double the previous 2-year statutory general rate case cycle);

g) a new section applicable to any utility including a statement of expected changes in circumstances in an application for a change in rates that clarifies that subsection 4 of NRS 704.110 should not be construed to preclude or restrict the forward-looking nature of determining elements of cost of capital;

h) a new section applicable to any utility including a statement of expected changes in circumstances in an application for a change in rates that requires the applicant to clearly and specifically identify each event or program, and for each event or program, the applicant must include a separate and specific analysis explaining how the event or program meets the criteria contained in NRS 704.110(4);

i) a new section applicable to any utility including a statement of expected changes in circumstances in an application for a change in rates that requires the applicant to include evidence with respect to anticipated offsets to expected changes in circumstances;

j) a new section applicable to any utility including a statement of expected changes in circumstances in an application for a change in rates that requires the applicant to provide updated data with respect to expected changes in circumstances no later than 90 days after the initial application is filed; and

k) a new section applicable to any utility including a statement of expected changes in circumstances in an application for a change in rates, and which also chooses to certify the application pursuant to NRS 704.110 (3), which a) requires that the applicant clearly classify items that will be certified and items that are included as expected changes in circumstances, b) prohibits classification of an item as both eligible for certification and an expected change in circumstance, and c) prohibits an applicant from altering the classification of an item subsequent to the filing of the initial application absent a showing of good cause.

The proposed temporary regulations potentially affect all public utilities operating in the state of Nevada. At this time, the Commission cannot quantify either the adverse or beneficial economic effects on regulated utilities, either immediate or long-term, which may result from the proposed regulations.

The proposed temporary regulations potentially affect any member of the general public who is currently a customer of any public utility. At this time, the Commission cannot quantify either the adverse or beneficial economic effects on the general public, either immediate or long-term, which may result from the proposed regulations.

The Commission used the simplified Delphi method in determining the impact on small businesses, whereby experts review the text of the proposed regulations and determine the likely impact of the proposed temporary regulations on small businesses. These experts share their responses with each other and form a consensus view.

There will be no additional cost to the Commission for the enforcement of the proposed temporary regulations.

The proposed temporary regulations do not overlap or duplicate any federal, state, or local regulations.

The proposed temporary regulations are not required pursuant to federal law.

The proposed temporary regulations are not more stringent than a federal regulation that regulates the same activity.

The proposed temporary regulations do not establish any new fee or increase an existing fee.

A copy of the proposed temporary regulations is attached to this notice as Attachment A. Persons wishing to comment upon the proposed action of the Commission may appear at the scheduled hearing (noticed separately) and/or address their comments, data, views, or arguments, in written form, to the Secretary of the Commission, 1150 East William Street, Carson City, Nevada 89701 or 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109. Written submissions to be discussed at the hearing must be received by the Commission on or before **WEDNESDAY, OCTOBER 29, 2008.**

A copy of this notice and the proposed temporary regulations to be adopted, amended, or repealed will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed temporary regulations to be adopted, amended, or repealed will be available at the Commission at 1150 East William Street, Carson City, Nevada, 89701 or 101 Convention Center Drive, Suite 250, Las Vegas, Nevada, 89109, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed temporary regulations are also available in the State of Nevada Register of Administrative Regulations (LCB File No. T005-08), which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed temporary regulations will also be mailed to members of the public upon request.

A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the Commission, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or incorporate therein its reason for overruling the consideration urged against its adoption.

This notice has been posted at the county courthouses located in Reno, Carson City, and Las Vegas.

By the Commission,

/S/
CRYSTAL JACKSON, Commission Secretary

Dated: Carson City, Nevada

10-23-2008

(SEAL)