

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

**LCB FILE NO. R117-19I**

**The following document is the initial draft regulation proposed  
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**PROPOSED REGULATION OF THE  
PUBLIC UTILITIES COMMISSION OF NEVADA**

**Docket No. 19-06006**

December 13, 2019

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

**Sec. 1.** Chapter 704 is hereby amended by adding thereto the provisions set forth as Section 1 of this regulation.

NAC 704.XXXX *Definitions. The terms used in NAC 704.XXXX to 704.XXXX, inclusive, have the meanings ascribed to them in those sections.*

NAC 704.XXXX *“Renewable natural gas facility” has the meaning ascribed to it in Section 7 of NRS 704.XXXX.*

NAC 704.XXXX *“Renewable natural gas activity” has the meaning ascribed to it in Section 8(3) of NRS 704.XXX.*

NAC 704.XXXX *“Renewable natural gas activity application” means an application filed by a public utility which purchases natural gas for resale seeking approval of a renewable natural gas activity.*

NAC 704.XXXX *Renewable natural gas activity application requirements:*

*1. An application for approval of a renewable natural gas activity must be supported by sworn testimony that includes, without limitation:*

- a) A description of the proposed renewable natural gas activity.*
- b) An estimate of costs associated with the proposed renewable natural gas activity and the estimated revenue requirement, as applicable.*
- c) If the public utility is seeking approval of a renewable gas activity that involves entering into contracts with a third-party producer of renewable natural gas to build and operate a renewable natural gas facility, a copy of the proposed contract. Contracts submitted pursuant to this section may be submitted confidentially.*
- d) An explanation of the environmental benefits of the proposed renewable natural gas activity pursuant to Section 8(2) of NRS 704.XXX.*
- e) The mechanism that the public utility proposes to utilize to recover costs associated with the proposed renewable natural gas activity.*

*f) An explanation on the impacts to the public utility's rates as a result of the renewable natural gas activity including, but not limited to, an estimated impact to the public utility's rate base, base tariff energy rate, and revenue requirement, as applicable.*

*2. The Commission will, not later than 180 days after the date on which a renewable natural gas activity application is filed, issue a written order approving, disapproving or approving subject to modifications, the renewable natural gas activity application.*

*3. If the application for a renewable natural gas activity relates to Section 8(3)(d) of NRS 704.XXX, the Commission may issue an order providing the public utility with the authority to make all such renewable natural gas purchases referenced in that Section, without the need to have each purchase separately reviewed and approved by the Commission.*

*4. A Commission order approving, or approving with modification, a renewable natural gas activity application is not a determination of prudence of the proposed renewable natural gas activity. The prudence of the renewable natural gas activity shall be considered in an application filed by the public utility pursuant to NRS 704.110.*

*NAC 704.XXXX. Expansion of utility certificated area of service. To the extent a proposed renewable natural gas activity includes an area not included within the public utility's certificated service area, the public utility may seek to amend its certificate of public convenience and necessity as part of its renewable natural gas activity application, but must satisfy the requirements of NAC 703.175 and 703.205.*

*NAC 704.XXXX. Status report. A public utility shall provide a status update on its efforts to incorporate renewable natural gas into its gas supply portfolio and its progress toward the goals set forth in Section 8(4) of NRS 704.XXX in its informational filing pursuant to NRS 704.991.*