

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. R020-20

1. A clear and concise explanation of the need for the adopted regulation.

The regulation, attached hereto as Attachment 1, amends NAC 704.660 and 704.662 and removes language that requires the Public Utilities Commission of Nevada (“Commission” or “PUCN”) to rely on marginal cost of service studies. Therefore, the proposed regulation provides the Commission with flexibility to consider alternative cost of service studies in future proceedings. Under existing regulations, the Commission must rely on a marginal cost of service study in determining class revenue requirement and in designing rates. In the most recent general rate cases of Nevada Power Company (“NPC”) and Sierra Pacific Power Company (“SPPC”), both doing business as NV Energy, questions were raised about the Commission’s continued reliance on the marginal cost of service study.¹

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

(a) Copies of the proposed regulation, notice of intent to act upon the regulation, and notice of workshop and hearing were sent by email to persons who were known to have an interest in the subjects of noticing and interventions. These documents were also made available on the website of the Commission, <http://puc.nv.gov>, mailed to all county libraries in Nevada, the State library, and the Legislative Council Bureau, and published in the following newspapers:

Ely Times
Las Vegas Review Journal
Reno Gazette Journal
Tonopah Times-Bonanza,

(b) The Regulatory Operations Staff of the Commission (“Staff”) filed comments after the notice of intent to act upon a regulation was issued in Docket No. 19-12026 on July 2, 2020. Staff supported adoption of the proposed regulation.

(c) The Commission’s final order adopting the regulation in Docket No. 19-12026, issued on August 27, 2020, and copies of the comments filed by interested persons are available for review on the Commission’s website: puc.nv.gov. Transcripts of the proceeding will be available for review at the Commission’s offices when the Governor’s Emergency Directive #006 is lifted.

3. The number of persons who:

(a) Attended each hearing: 5

(b) Testified at each hearing: 0

¹ See Docket Nos. 17-06003 and 17-06004, Modified Final Order at ¶ 569-71 (Dec. 19, 2018) and Docket No. 19-06002, Modified Final Order at ¶ 106 (Apr. 2, 2020).

- (c) Submitted written comments: 1
4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:
- (a) Name;
 - (b) Telephone number;
 - (c) Business address;
 - (d) Business telephone number;
 - (e) Electronic mail address; and
 - (f) Name of entity or organization represented.

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- 5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public. The summary may be obtained as instructed in the response to question 2(c).

- 6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

Based on comments filed and the discussion in the workshop conducted prior to the hearing, no participant offered any amendments to the proposed regulation.

- 7. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include: both adverse and beneficial effects, and both immediate and long-term effects.**

- (a) Estimated economic effect on the businesses which they are to regulate.**

The regulation does not impose any economic effect on the business it is intended to regulate.

- (b) Estimated economic effect on the public which they are to regulate.**

The regulation does not regulate the public.

- 8. The estimated cost to the agency for enforcement of the proposed regulation:**

No additional costs are associated with the regulation.

- 9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The regulation does not overlap any other State, governmental agency, or federal regulations.

- 10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.**

N/A

- 11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

N/A

- 12. If the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restrict the formation, operation or expansion of a small business, what methods did the agency use in determining the impact of the regulation on a small business?**

Staff conducted a Delphi Method exercise to determine the impact of this proposed regulation on small businesses. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts. In this instance, the participants were members of Staff. Each participant in the exercise used his or her background and expertise to reflect upon and analyze the impact of the proposed regulation on small businesses. Based upon Staff's analysis, Staff recommended to the Commission that the Commission find that the proposed regulation will not impose a direct and significant economic burden on small businesses or directly restrict the formation, operation, or expansion of a small business. The Commission accepted Staff's recommendation and found that the proposed regulation does not impose a direct or significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business, and therefore a small business impact statement pursuant to NRS 233B.0608(2) is not required. This finding was memorialized in an Order issued in Docket No. 19-12026 on March 17, 2020.