

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. R032-20

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

The regulation establishes increased leak survey requirements for distribution pipelines transporting natural gas and/or liquefied petroleum gas in the interests of public safety.

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 U.S. mail and email to persons who were known to have an interest in the subjects of noticing and interventions. These documents were also made available at the website of the PUCN, <http://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

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

and posted at the following locations:

Public Utilities Commission 1150 East William Street Carson City, Nevada 89701	Public Utilities Commission 9075 West Diablo Drive, Suite 250 Las Vegas, Nevada 89148
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(b) Sierra Pacific Power Company d/b/a NV Energy (“SPPC”); Southwest Gas Corporation (“SWG”); AmeriGas Propane, L.P.; the National Propane Gas Association; and the Regulatory Operations Staff (“Staff”) of the Commission filed comments in the matter prior to the draft regulation language being sent to the Legislative Counsel Bureau (“LCB”) for review. Following LCB review, SPPC and SWG filed comments. The commenters generally supported the proposed regulation with some questions and suggestions regarding regulatory accounting treatment summarized at ¶3 of the July 14, 2021, PUCN Order adopting the regulation as permanent.

(c) Copies of the transcripts of the proceedings are available for review at the offices of the PUCN, 1150 East William Street, Carson City, Nevada 89701 and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148.

3. The number of persons who:

- (a) **Attended each hearing:** 3
- (b) **Testified at each hearing:** 3
- (c) **Submitted written comments:** 2

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.**

The regulation language, as returned from LCB, was acceptable to all participants, and accomplished the purpose of the rulemaking.

- 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 businesses the regulation is to regulate due to the regulatory accounting allowances discussed in ¶¶3 and 6 of the July 14, 2021, PUCN Order adopting the regulation as permanent.

(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:**

Any costs associated with the regulation are considered incremental in nature.

- 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 somewhat overlaps 49 CFR §192.723, a regulation promulgated by the Pipeline and Hazardous Materials Administration, of the Department of Transportation. 49 CFR §192.723 requires annual leakage surveying in business districts, but only requires leakage surveying outside of business districts every five years. The regulation in R032-20 requires annual leakage surveying in all areas in Nevada. The PUCN and other participants in the rulemaking believe the more stringent requirement will lead to safer pipelines, and fewer catastrophic incidents.

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

See the response to question 9 above.

- 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?**

The Regulatory Operations Staff (“Staff”) of the Commission 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 background and expertise to reflect upon and analyze the impact of the proposed regulation on small businesses. Based upon Staff’s analysis, Staff recommended 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. 19-09011 on February 2, 2021.