

**PROPOSED REGULATION OF THE
COLORADO RIVER COMMISSION OF NEVADA**

LCB File No. R071-22

June 23, 2022

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

AUTHORITY: § 1, NRS 538.181 and 538.201.

A REGULATION relating to the Colorado River Commission of Nevada; revising provisions governing the administrative charge payable by contractors to the Commission; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, the Colorado River Commission of Nevada holds and administers all rights and benefits related to the distribution of certain power derived from the Colorado River and is authorized to enter into contracts relating to that power, including, without limitation, contracts relating to the transmission and distribution of that power. (NRS 538.181) Existing regulations establish an administrative charge in the form of a rate per kilowatt-hour payable by contractors who purchase power, in addition to the rates or charges for capacity or energy from the Boulder Canyon Project, Parker-Davis Project or Salt Lake City Area Integrated Projects. (NAC 538.350, 538.610) The administrative charge is based on a projection for 2 years of all costs for the Commission’s operations relating to the contractors. (NAC 538.610) This regulation requires the administrative charge to be calculated using an average of the operating costs incurred by the Commission during a period of not less than 3 years immediately preceding the operating year in which the administrative charge will be levied and adjusted for future known and expected changes in operating costs. This regulation also authorizes the Commission to collect the administrative charge, in whole or in part, as a fixed charge based on the amount of hydroelectric energy allocated to the contractor and the amount of any other energy to be delivered to the contractor by the Commission.

Section 1. NAC 538.610 is hereby amended to read as follows:

538.610 1. The rates or charges payable by a contractor to the Commission for capacity or energy from the Boulder Canyon Project, Parker-Davis Project or Salt Lake City Area Integrated Projects and for wheeling energy from the Parker-Davis Project or Salt Lake City Area

Integrated Projects must be Western's effective rates or charges for those resources. These rates or charges, the Commission's administrative charge and any other costs associated with the contracted resource will be shown by a periodic report or by exhibits to the contracts for power from these projects. These rates, charges and costs may vary due to changing conditions. Some rates or charges may be estimated for a portion of an operating year with an adjustment, for the months the estimate is used, in the month the actual rate or charge is established.

2. At the time the Commission is notified by Western of any change in the rates or charges, the Commission will notify its contractors of the change.

3. The administrative charge is based on a projection ~~{for 2 years of all costs for}~~ of the Commission's *costs of* operations relating to the contractors ~~{. Those}~~, *which must be calculated using an average of the costs incurred by the Commission for operations relating to the contractors during a period of not less than 3 years immediately preceding the operating year in which the administrative charge is to be levied and adjusted for future known and expected changes to the annual operating costs of the Commission. The administrative charge may be collected, in whole or in part:*

(a) *As a rate per kilowatt-hour, which is determined by dividing ~~{estimated}~~ the projected costs ~~{are divided}~~ by the total estimated number of kilowatt-hours of all energy, including both hydroelectric and nonhydroelectric, to be delivered to contractors . ~~{to arrive at a rate per kilowatt hour.}~~*

(b) *As a fixed charge, whereby a contractor is charged a portion of the operating costs of the Commission in an amount based on the amount of hydroelectric energy allocated to the contractor pursuant to the contract entered into by the contractor with the Commission and the amount of any other energy to be delivered to that contractor by the Commission.*

↳ Except as otherwise provided in subsection 4, the administrative charge may be increased or decreased after the Commission notifies the contractors of the grounds for the increase or decrease and the effective date of the increase or decrease, which must be not less than 90 days after the Commission sends the notice of the increase or decrease.

4. The Commission may use the expedited procedure set forth in this subsection to increase or otherwise revise the administrative charge if actual revenue from the administrative charge is equal to or less than 70 percent of the revenue projected in accordance with subsection 3. The Commission's staff may develop a proposed increase or other revision to the administrative charge and, not later than 30 days before the Commission meeting at which the Commission will make a determination on the proposed increase or other revision, notify the contractors in writing of the proposed increase or other revision. The notice must contain a statement of the amount of, and the grounds for, the proposed increase or other revision and the date of the Commission meeting at which the Commission will make a determination on the proposed increase or other revision. The Commission will accept written comments from contractors regarding the proposed increase or other revision which are submitted not later than 15 days before the Commission meeting at which the Commission will make a determination on the proposed increase or other revision. In determining whether to increase or otherwise revise the administrative charge, the Commission will review the proposed increase or other revision to the administrative charge proposed by the Commission's staff, comments submitted by contractors in accordance with this subsection and any other relevant information.

5. As soon as practicable, a contractor planning, projecting or experiencing a decrease in its load of 30 percent or more for 90 consecutive days or more, in any 12 month period, shall notify the Commission of the decrease in its load.

