

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
AS REQUIRED BY NRS 233B.066  
LCB FILE R046-15 (DOCKET NO. 14-10018)**

The following informational statement is submitted for adopted amendments to Nevada Administrative Code Chapters 703 and 704.

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

The rulemaking was initiated in response to the recommendations in the Order in Commission Docket No. 12-12030, an investigation regarding demand side management (“DSM”) in Nevada. Participants in Docket No. 12-12030 discussed whether the lost revenue recovery mechanism (“LRAM”) is an effective tool for eliminating NV Energy’s financial disincentive from the implementation of DSM programs and suggested alternatives to LRAM. In response to the suggestions and comments provided to the Commission by the participants in Docket 14-10018, the Commission drafted the proposed regulation to simplify the LRAM by linking revenue compensation to program costs and applying a multiplier to program costs.

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

The Public Utilities Commission of Nevada (“Commission”) issued a notice of rulemaking and notice of request for comments. Copies were sent by U.S. mail and email to persons who were known to have an interest in LRAM.

The Commission also issued a copy of the proposed regulations, notice of intent to act upon the regulation, and notice of workshop and hearing. Copies were sent by U.S. mail and email to persons who were known to have an interest in LRAM.

All of the above documents were also made available at the website of the Commission, <http://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

Ely Times  
Las Vegas Review Journal  
Nevada Appeal  
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

Nevada Power Company and Sierra Pacific Power Company (together, “NV Energy”), Nevadans for Clean Affordable Reliable Energy (“NCARE”), the Sierra Club, the Attorney General’s Bureau of Consumer Protection (“BCP”), and the Regulatory Operations Staff all submitted alternative proposals in support of revenue decoupling.

Copies of the transcripts of the proceedings are available for review at the offices of the Commission, 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:** April 21, 2015 - 7

**(b) Testified at each hearing:** April 21, 2015 - 0

**(c) Submitted to the agency written comments:** 5

**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:**

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Senior Economist for the Regulatory Operations Staff of the Commission

**5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation 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. See the response to question #2, above.

**4. 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 temporary regulations were adopted on June 10, 2015. Changes were not made to the proposed regulations.

**5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

The proposed regulation is expected to have no adverse immediate or long-term economic effects on the businesses that it is to regulate. The proposed regulation is expected to have beneficial immediate and long-term economic effects on the businesses that the Commission is to regulate by reducing the costs of preparing and administering the annual cost recovery filings.

The proposed regulation is expected to have no adverse immediate or long-term economic effects on the public. The proposed regulation is expected to have beneficial immediate and long-term economic effects on the public by reducing costs.

**6. The estimated cost to the agency for enforcement of the adopted regulation.**

There is no additional cost to the agency for enforcement of these regulations.

**7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

These regulations do not overlap or duplicate any federal, state, or local regulations.

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

N/A

**9. 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

**10. If the proposed regulation is likely to impose a direct and significant economic 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 Commission finds that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination, the Commission adopted the findings of Staff, which conducted a Delphi Method exercise to determine the impacts. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts.