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**MEMORANDUM**

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**DATE:** September 11, 2014

**TO:** Members of the 28<sup>th</sup> Special Session of the Legislature

**FROM:** Michael Nakamoto, Deputy Fiscal Analyst   
Fiscal Analysis Division

**SUBJECT:** **Fiscal Note for Assembly Bill 1**

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The following fiscal impact statement was submitted by the Public Utilities Commission in response to the Fiscal Analysis Division's request for a fiscal note on Assembly Bill 1.

The Commission would incur the costs of holding a rulemaking to adopt the necessary changes to Section 9 of the attached regulation. Given the prescriptive language of the Bill, the rulemaking would likely entail only the one workshop and one hearing required by NRS 233B. The Commission would have to pay the costs of hiring a court reporter and publishing a notice. These costs can be absorbed by the Commission; therefore, no fiscal impact.

Donna Skau  
Public Utilities Commission of Nevada

Attachment (2 Pages)

cc: Rick Combs, Director, Legislative Counsel Bureau  
Brenda Erdoes, Legislative Counsel  
Mark Krmpotic, Senate Fiscal Analyst  
Cindy Jones, Assembly Fiscal Analyst  
Russell Guindon, Principal Deputy Fiscal Analyst



(b) The nature of the probable effect on the environment in this State if the proposed utility facility is constructed;

(c) The nature of the probable effect on the public health, safety and welfare of the residents of this State if the proposed utility facility is constructed; and

(d) The interstate benefits expected to be achieved by the proposed electric transmission facility in this State, if applicable.

**Sec. 3.** Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 4 to 12, inclusive, of this regulation.

**Sec. 4.** *As used in sections 4 to 12, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 5 to 8, inclusive, of this regulation have the meanings ascribed to them in those sections.*

**Sec. 5.** *“Base tariff energy rate” has the meaning ascribed to it in NAC 704.032.*

**Sec. 6.** *“Electric utility” has the meaning ascribed to it in NRS 704.187.*

**Sec. 7.** *“Participant” has the meaning ascribed to it in section 12 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3207 (NRS 704.7873).*

**Sec. 8.** *“Program” means the Economic Development Electric Rate Rider Program established pursuant to section 14 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3207 (NRS 704.7875).*

**Sec. 9.** *The discounted electric rates that an electric utility shall charge pursuant to the Program must be:*

*1. In the first year of a contract entered into pursuant to section 16 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3209 (NRS 704.7877), a reduction of 30 percent in the base tariff energy rate.*

*2. In the second year of a contract entered into pursuant to section 16 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3209 (NRS 704.7877), a reduction of 20 percent in the base tariff energy rate.*

*3. In the third year of a contract entered into pursuant to section 16 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3209 (NRS 704.7877), a reduction of 20 percent in the base tariff energy rate.*

*4. In the fourth year of a contract entered into pursuant to section 16 of Assembly Bill No. 239, chapter 504, Statutes of Nevada 2013, at page 3209 (NRS 704.7877), a reduction of 10 percent in the base tariff energy rate.*

*Sec. 10. Each electric utility shall set aside 25 megawatts of capacity for allocation to new customers pursuant to the Program. If an electric utility enters into one or more contracts with an applicant for the Program for the full allocation of 25 megawatts of capacity set aside by the electric utility pursuant to this section, any unused capacity allocated to another electric utility may be reallocated among the electric utilities by the Commission to maximize participation in the Program.*

*Sec. 11. 1. An electric utility that provides discounted electric rates pursuant to the Program shall:*

*(a) Establish a tariff pursuant to which a participant will be charged the discounted electric rates set forth in section 9 of this regulation. A tariff established pursuant to this*