

LCB File No. T004-98

**TEMPORARY REGULATION OF
THE PUBLIC UTILITIES COMMISSION OF NEVADA**

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

In Re Investigation of issues to be)
considered as a result of restructuring)
of electric industry (pursuant to NRS 704.965) Docket No. 97-8001
to 704.990, inclusive).)

INFORMATIONAL STATEMENT
(Filed in accordance with NRS 233B.066.)

In August of 1997, the Commission entered an “Order Instituting Investigation” in Docket No. 97-8001, an investigation of issues related to the restructuring of the electric industry. These issues include the designation by the Commission of components of electric service as “potentially competitive services” or “noncompetitive services” pursuant to the statutory criteria set forth in NRS 704.965 through 704.990.

Between August 1997 and August 1998, the Commission conducted various workshops at which the issues surrounding restructuring were discussed. On January 14, 1998, the Commission held a hearing for the purpose of receiving comments on a proposed regulation. This proposed regulation listed the requirements for applications via which components of electric service could be classified as potentially competitive services. As a result of the comments received on this proposed regulation, the Commission voted to revise this proposed regulation and re-issue it for comment and hearing. The Commission held the final hearing on this proposed regulation on August 19, 1998. In accordance with the provisions of NRS 233B.063(3), the Commission voted

at an agenda meeting on August 20, 1998 to adopt a temporary regulation.

Solicitation of Comments from the Public and from Affected Businesses

The Commission's notices which were issued in this docket were published in several newspapers of general circulation, mailed to numerous entities which appear regularly before the Commission, mailed to city and county clerks, and mailed to the Attorney General's Office, Bureau of Consumer Protection/Utility Consumers Advocate ("UCA"). Copies of this informational statement may be obtained by contacting either of the Commission's offices at:

Office of the Public Utilities Commission
1150 East William Street
Carson City, Nevada 89701-3109

(702) 687-6007

or

Office of the Public Utilities Commission
Sawyer Office Building
555 East Washington Avenue, Suite 4500
Las Vegas, Nevada 89101

(702) 486-2600

Summary of Comments

The Commission's first hearing in this docket was held on January 14, 1998. The comments filed and those made on the record at hearing pursuant to the first notice issued for this first round of hearings are summarized as follows: minor modifications were suggested in order to clarify how the Commission would consider requests for classification of components of electric service as potentially competitive services.

The first hearing was attended by approximately 18 persons; approximately ten placed comments on the record. Six different entities filed written comments. After consideration of the

written comments and of those made on the record during the hearing held on January 14, 1998, the Commission voted to revise the proposed rule and re-issue it for further comment and hearing. The second hearing, held on August 19, 1998, was attended by approximately ten persons; approximately four of these placed comments on the record. Three different entities filed written comments. Nevada Power Company and Sierra Pacific Power Company commented that the regulation required more explanatory language concerning the ramifications of designating a component of electric service which had been noncompetitive as potentially competitive. Washoe County Senior Services Senior Law Program commented that the regulation should also establish a procedure whereby components of electric service could be affirmatively classified as noncompetitive.

Economic Effect of the Regulation

On Affected Businesses

Because this regulation only establishes the procedure whereby components of electric service may be classified as potentially competitive, the Commission does not anticipate any adverse economic effects to result from this regulation. The Commission expects affected businesses to benefit if this regulation is successful in expediting the process by which services will be offered competitively.

On the Public

The Commission expects the public to benefit from retail competition in electric services. The Commission does not anticipate any adverse effects from these regulations.

Estimated Cost to the Agency for Enforcement

The Commission does not anticipate any increased costs associated with

enforcement of these regulations.

Duplication with other Regulations

This regulation does not overlap or duplicate those of other state or government agencies.

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**TEMPORARY REGULATION OF
THE PUBLIC UTILITIES COMMISSION OF NEVADA**

(Adopted as temporary regulation August 20, 1998.)

Docket No. 97-8001

LCB File No. R207-97

Authority: '2-8, NRS 703.025 and 704.976.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this regulation.

Sec. 2. As used in sections 2 to 8, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.

Sec. 3. "Electric service" has the meaning ascribed to it in NRS 704.971.

Sec. 4. "Potentially competitive service" has the meaning ascribed to it in NRS 704.974.

Sec. 5.1. Any interested person may file an application to request that the commission classify an electric service as a potentially competitive service.

2. An application filed pursuant to subsection 1 must be submitted to the commission and must, in addition to the requirements of NAC 703.535:

(a) Describe and identify fully the electric service to be classified as a potentially competitive service, including, without limitation:

(1) The technical and common names of the electric service.

(2) The facilities and equipment that are or will be used to provide the electric service.

(3) All other components of electric services that are necessary to the provision of the service.

(4) The geographic market area for which the classification of the service as a potentially competitive service is being sought.

(5) The nature and extent of the market in which the service is or will be provided, including, without limitation:

(i) The class or classes of customers for that electric service.

(ii) The source of revenues for that electric service.

(b) Provide all facts necessary to support classification of the service as a potentially competitive service, including, without limitation, facts that support the determination required pursuant to subsection 3 of NRS 704.976.

(c) Contain an acknowledgment that a copy of the application has been served upon the existing provider or providers of the service sought to be reclassified.

3. As used in this section, “person” means a natural person, any form of business or social organization, and any other legal entity including, but not limited to, a corporation, partnership, association, trust, unincorporated organization, government, governmental agency or political subdivision of a government.

Sec. 6. The geographic market area identified by the applicant as required in subsection (2)(a)(4) of section 5 of this regulation shall not extend beyond the boundaries of the certificated service area of a single vertically integrated electric utility as defined in NRS

704.975.

Sec. 7. If the commission receives a request to classify an electric service as a potentially competitive service and that request meets the requirements set forth in section 5 of this regulation, the commission will, if the electric service meets the requirements set forth in subsection 3 of NRS 704.976, determine that the service is a potentially competitive service and establish an appropriate period of time in which the service can be transferred from noncompetitive to potentially competitive.

Sec. 8.1. If, after a request is made to the commission pursuant to section 5 of this regulation, the commission does not determine that an electric service is a potentially competitive service, the commission will deem the electric service to be a noncompetitive service.

2. As used in this section, “noncompetitive service” has the meaning ascribed to it in NRS 704.973.