

LCB File No. T023-99

**ADOPTED TEMPORARY REGULATION
OF THE PUBLIC UTILITIES COMMISSION OF NEVADA**
(Effective February 26, 1999)

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as Sections 2 to 7, inclusive, of this regulation.

Section 2. Scope. The provisions of Sections 2 to 7, inclusive, of this regulation, apply to all vertically integrated electric utilities subject to the provisions of NRS 704.965 to 704.990, inclusive.

Section 3. Definitions

“Distribution service” means the service provided over physical distribution plant of delivering electricity from the transmission system to end-use customers.

“Noncompetitive service” has the meaning ascribed to it in NRS 704.973.

“Vertically integrated electric utility” has the meaning ascribed to it in NRS 704.975.

Section 4. The provisions of NAC 703.2207 do not apply to a filing made by a vertically integrated electric utility for the purpose of complying with NRS 704.986 and the provisions of this regulation.

Section 5. Purpose. This regulation implements NRS 704.986 by specifying the filing requirements applicable to vertically integrated electric utilities. Pursuant to this regulation, the commission will address, for each vertically integrated electric utility, three related topics:

1. the determination of the total revenue requirement for all services presently performed by the utility.
2. the allocation of the total revenue requirement across each unbundled service, consistent with decisions made by the commission and reflected in orders issued in Docket Nos. 97-8001, 97-11018, and 97-11028.
3. the approval of rates, terms and conditions (including rate design) for each jurisdictional noncompetitive service to be provided by the utility.

Section 6. Preliminary Filing Requirements. Each vertically integrated electric utility shall submit, in the format for an application to change general rates, including all data

and information required by the provisions of NAC 703.2201 to 703.2205, inclusive, and 703.2208 to 703.2481, inclusive, for the latest test year for which data is available:

1. (a) no later than April 1, 1999, a proposed revenue requirement for all electric services provided by the vertically integrated electric utility.

(b) no later than April 30, 1999, a proposed bundled rate design, which may assist the commission in developing rates for the service or services described in NRS 704.982, for potentially competitive services, and for such other rates that the public interest may require be developed.

2. an allocation of the revenue requirement across each service identified by the commission's decisions which are reflected in orders issued in Docket Nos. 97-8001, 97-11018, and 97-11028.

These filings must be sufficiently detailed to permit discrete recorded data to be traced through each proposed adjustment and allocation.,

Section 7. Subsequent Filing Requirements. Unless the commission establishes a different schedule, no later than 15 days following a determination by the commission of the revenue requirement, bundled rate design, and allocation of revenue requirement across services, as described in Section 6 of this regulation, each vertically integrated electric utility shall submit, for the latest test year for which data is available:

1. a full proposed tariff for distribution service which complies with the commission's distribution tariff rule adopted in Docket No. 97-8001 on November 13, 1998. Such tariff shall reflect:

a. proposed rates for distribution service for all customer classes, designed to recover the revenue requirement previously determined by the commission to be properly allocable to distribution service; and

b. all non-price terms and conditions required by the commission's distribution tariff regulation to the extent that such terms and conditions have been approved by the commission.

2. a full proposed tariff for all other noncompetitive services, except for the service identified in NRS 704.982. Such tariff shall reflect proposed rates for these noncompetitive services for all customer classes, designed to recover the revenue requirement previously determined by the commission to be properly allocable to such services.

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) Docket No. 97-8001
704.965 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 requirements for compliance by the vertically integrated electric utilities with the provisions of NRS 704.986.

The requirements of this “compliance filing” were generally discussed at workshops held between October 1997 and December 1998. A hearing was held on January 28 and 29, 1999. The commission voted at a duly-noticed agenda meeting held on February 11, 1999 to adopt a temporary regulation. This temporary regulation consists of the requirements for vertically integrated electric utilities to fulfill their obligations with respect to NRS 704.986.

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, mailed to the Attorney General’s Office, Bureau of Consumer Protection/Utility Consumers Advocate (“UCA”), and mailed to all persons who requested inclusion on the Commission’s service list. Copies of this informational statement may be obtained by contacting wither of the commission’s offices at:

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

(702) 687-6007

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 hearing on this regulation was held on January 28 and 29, 1999.

The comments filed and those made on the record at the hearing focused on proposed refinements to the regulation. Some commenting parties requested that the Commission refrain from predetermining, by means of this regulation, that the filings required by this regulation would result in final rates and tariffs for only distribution service. Sierra Pacific Power Company and Nevada Power Company both requested that a certain test period be applied to these filings and also requested certain adjustments to the filing deadlines contained in the regulation.

The hearing held on January 28 and 29, 1999 was attended by approximately 31 person; approximately 17 persons placed comments on the record. Approximately four different entities filed written comments.

Economic Effect of the Regulation

On Affected Businesses

This regulation is specifically required by the provisions of NRS 704.965 to 704.990, inclusive, in particular, NRS 704.986; the Commission does not anticipate any adverse

economic effects, either immediate or long-term, which cannot be avoided while at the same time conforming with the law, to result from this regulation.

On the Public

The Commission expects the public to benefit from retail competition in electric services and to particularly benefit, both immediately and in the long term, from the requirements that the regulation imposes on vertically integrated electric utilities to provide the information which the Commission needs to properly set rates for services. The Commission does not anticipate any adverse effects, either immediate or long-term, on the public to result from these regulation.

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.

Fees

This regulation does not provide for any new fees or increase any existing fees.