

LCB File No. T021-00

**ADOPTED TEMPORARY REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**
(Effective October 25, 2000)

PUCN Docket No. 97-8001 (Load Forecasting)

LCB File No. T021-00

July 21, 2000

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

[Revisions are changes from the draft proposed by the Public Utilities Commission Staff on February 2, 1999 and noticed for public comment by the Public Utilities Commission for use at the workshop held on July 21, 2000.]

AUTHORITY: NRS 704.988

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

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

“Aggregation service” defined. Aggregation service has the meaning ascribed to it in NRS 704.966.

“Alternative seller” defined. Alternative seller has the meaning ascribed to it in NRS 704.967.

“CAIDI” defined. CAIDI = The Customers Interruption Durations divided by the Total Number of Customer Interruptions.

“Customer” defined. Customer has the meaning ascribed to it in NRS 704.968.

“Customer class” defined. Customer class refers to the classification of customers described in NAC 704.926(1).

“Distribution system” defined. The portion of the electric distribution utility's system within an operating area that delivers electric energy from the transmission system to an end-use customer and that has been classified as distribution in the FERC transmission and distribution classification process.

“Electric distribution utility” defined. Electric distribution utility has the same meaning as that ascribed to it in NRS 704.970.

“Generation service” defined. Generation service has the meaning ascribed to it in NRS 704.972.

“Geographic region” defined. A subdivision of the electric distribution utility’s service territory in northern or southern Nevada. The subdivisions for each service territory will be identified in Staff’s request pursuant to section 6(2)(a) of this regulation.

“Interruption” defined. An interruption is the loss of electric service to one or more customers.

“Interruptions, caused by events outside of distribution system” defined. Interruptions that cause the loss of service to at least one customer that are caused by events outside of the distribution system or on non-company owned facilities.

“Interruption, forced” defined. An interruption that results from conditions directly associated with a component being taken out of service immediately, either automatically or as a result of manual switching operations, or an interruption caused by improper operation of equipment or human error.

“Interruptions, momentary” defined. A single interruption with a duration of five minutes or less.

“Interruption, scheduled” defined. An interruption that results when a component is deliberately taken out of service at a selected time.

“Interruptions, sustained” defined. An interruption with a duration of greater than five minutes.

“Loss of electric service” defined. The loss of electrical power, a complete loss of voltage, to one or more customers or meters. This does not include any of the power quality issues: sags, swells, impulses, or harmonics.

“MAIFI” defined. $MAIFI = \frac{\text{The Total Number Of Customer Momentary Interruptions}}{\text{The Total Number of Customers Served}}$.

“Major events” defined. A catastrophic event that exceeds the design limits of the electric power system and is characterized as follows:

- a) Causes extensive damage to the electric power system; and
- b) Results in a simultaneous sustained interruption to more than 10 percent of the customers in an operating area; and
- c) Requires longer than 24 hours, from the beginning of the event, for full restoration of service to customers.

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

“Operating Area” defined. An area described as the electric distribution utility’s southern or northern distribution system.

“Outage” defined. The state of a component when it is not available to perform its

intended function due to some event directly associated with that component.

“Outage, momentary” defined. An outage with a duration of five minutes or less.

“Outage, sustained” defined. An outage with a duration greater than five minutes.

“Potentially competitive service” defined. Potentially competitive service has the meaning ascribed to it in NRS 704.974.

“Power Quality Problem” defined. Any power problem attributed directly to voltage, current, or frequency deviation that results in a customer complaint.

“Request for information” defined. The request for information refers to an annual data request to be submitted to licensed alternative sellers and all other entities providing potentially competitive or noncompetitive services in Nevada pursuant to NRS 704.988.

“SAIFI” defined. $SAIFI = \frac{\text{The Total Number of Customer Interruptions}}{\text{The Total Number of Customers Served}}$.

“SAIDI” defined. $SAIDI = \frac{\text{The Sum Of Customer Interruption Durations}}{\text{The Total Number of Customers Served}}$.

“Staff” defined. Staff means the Public Utilities Commission Regulatory Operations Staff.

“Substantially accurate data” defined. Substantially accurate data means data (1) which every licensed alternative seller and every other provider of potentially competitive and noncompetitive services in Nevada, including electric distribution companies, demonstrates has been gathered from the best sources of information available to it; or (2) whose validity is inherently uncertain but whose use does not substantially contribute to the risk of incorrect conclusions.

“Transmission system operator” defined. The transmission system operator of a control

area means the entity responsible for dispatch, monitoring, and scheduling transmission access and transmission rights for the given control area. The transmission system operator may be the control area operator of the electric distribution utility, a regional transmission organization, or it may be an entity that has not yet been defined.

Sec. 3 Dates and Conditions for Alternative Sellers Licensed by the State of Nevada and All Other Providers of Potentially Competitive and Noncompetitive Electric Services to Submit Information

1. Staff may request information from every alternative seller licensed by the State of Nevada and from every other provider of potentially competitive or noncompetitive service in the state of Nevada, including electric distribution utilities, by October 1, 2000, and by October 1 of every year thereafter. The information requested will include information specified in sections 6 and 7 of this regulation and may include additional information that comports with the specifications of section 6(2)(a) and NRS 704.988(3).

2. Staff may, on or before October 1 of any year, provide notice that additional information or a change in the format of information will be required for information recorded beginning with January 1 of the following year and that such additional information or change in format must be incorporated into the response to the subsequent year's request for information. This additional information must be consistent with NRS 704.988(3).

3. Objections to specific items in a request for information and requests for confidentiality with regard to specific requests must be filed with the commission within twenty calendar days of the issuance of a request for information.

4. Every alternative seller licensed by the State of Nevada and every other provider of a potentially competitive service or noncompetitive service shall respond to the annual request

for information on or before July 1, 2001, and by July 1 of every year thereafter. Where possible, information must be submitted in the medium and format requested.

Sec. 4. Annual Report of the Public Utility Commission Staff on the Condition of Electric Power Markets in Nevada.

1. Staff shall submit an annual report on the adequacy, reliability, efficiency, and economy of the electric power markets in Nevada to the commission by December 31, 2001, and every year thereafter. An executive summary of the annual report will be prepared for distribution to the public. The executive summary should contain easily interpretable tables, graphs, and maps and should not contain any complex explanations or highly technical language. The executive summary should address each of the sections of the annual report detailed in points 2 through 5 below, inclusive.

2. The “Annual Report on Electric Power Markets in Nevada” (annual report) shall include a ten-year forecast of load and capacity for southern Nevada and northern Nevada

3. The ten-year forecast of capacity must consider the criteria specified in 7(1)(a).

4. The **o** assessment of the reliability, efficiency, and economy of retail electric service markets shall include an assessment of whether Nevada’s electricity markets are developing into competitive markets. If a potentially competitive service market is not developing into a market with effective competition (as defined by NRS 704.969), the report will include a description of those actions that are necessary to accommodate the development of competition. Actions may include a recommendation that an investigation be initiated pursuant to NRS 704.979.

5. Based upon the findings presented in the annual report the commission staff shall file a report with the commission which includes a finding that (a) there is no projected inadequacy of resources and/or facilities within the first five years of the forecast, or (b) there is a projected inadequacy of resources and/or facilities within the first five years of the forecast but no commission action is recommended in the current year to mitigate the projected inadequacy, or (c) there is a projected inadequacy of resources and/or facilities within the first five years of the forecast and commission action is recommended to mitigate the projected inadequacy.

6. The commission may hold a public hearing on the contents and recommendations of the report issued on December 31, 2001, and every year thereafter.

Sec. 5. Technical Appendix

1. Staff's annual report must include a technical appendix. The technical appendix must provide:

- a. Citations to sources of information.
- b. A list of assumptions and data used to generate the results.
- c. The final results derived from the models.
- d. Documentation of all models and formulas

2. The technical appendix shall not disclose data or information determined by the commission to be confidential.

Sec. 6. Capacity and Load Forecasts and the Assessment of the Development of Competition

1. Forecasts of capacity and load; contents, methods

Staff will prepare an annual statewide forecast of capacity and aggregate loads for the state of Nevada. The forecast of northern and southern Nevada capacities and loads will project annually ten years forward, starting with the year in which the most recent request for information was submitted. The forecasts of southern and northern Nevada capacities will include forecasts of internal generation capacity (including all verifiable additions and expansions), available external generation capacity (including all verifiable additions and expansions), and system import capabilities. The forecast of southern and northern Nevada loads will assess by operating area whether there is enough capacity to meet the load for each of the ten years included in the forecast.

2. Data requirements

a. The electric distribution utility, alternative sellers licensed by the State of Nevada, transmission owners, and other providers of potentially competitive or noncompetitive services shall provide the information identified in sub-sections 2, 3, and 4 of this section. In addition, Staff may request and obtain other information consistent with NRS 704.988(3) if the information is maintained in the normal course of business by the respondent, subject to the respondent's objection that the information is not available or, because of a lack of advance notice, is not maintained in the format requested. Historical data requested by Staff may be provided by the respondents in the form and format maintained by the respondent in its normal course of business. All information provided to the commission must be based upon substantially accurate data.

b. If the transmission system operator does not make the following information available to the commission, the information will be requested from each transmission owner serving Nevada control areas:

(1) For each generation facility connected to the owner's transmission in southern or northern Nevada: the name, owner(s), and location of the generation facility; a copy of the interconnection agreement filed with the FERC; the maximum operating capacities of each generation unit at the generation facility; and the annual planned maintenance schedule for each unit.

(2) For the transmission systems: the current firm import capability of the systems in northern and southern Nevada and the firm export capability of the systems in northern and southern Nevada, projected changes in the firm import and export capabilities for the ten year duration of the forecast, and all applications for firm transmission service for a period of one year or more. For each projected expansion to the system that will affect the import or export capability of the system, the transmission owner will provide the facility name, location, and design details (including any modifications to the design); the estimated increase to import capacity and the estimated increase to export capacity; and the estimated time for permitting, design and construction, all Utility Environmental Protection Act (UEPA) permitting documents, and the estimated in-service date must be provided.

c. The provider(s) of last resort and all alternative sellers shall provide *to commission staff* the following non-customer specific, aggregate information:

(1) The most recent year's energy sales data, energy revenue data, and number of customers data. The Gwh energy sales, the energy revenue data and the number of customers data must be provided by month, by customer class and by region (southern Nevada or northern Nevada) for the 12 month period ending with December 31st of the most recent full calendar year.

(2) The most recent year's load data disaggregated by hour, type of meter (interval or time-of-use), customer class, and region (southern Nevada or northern Nevada) for the 12 month period ending on the most recent full calendar year.

(3) Gwh sales and number of customers for the ten years prior to the year in which the request for information was issued. Data must be reported by month, by customer class and by region.

(4) Data measuring the effects of demand side management and interruptible energy management programs on monthly peak and off-peak load by customer class for the most recent full calendar year.

(5) Information required for monitoring the development of competition will include: (a) price data, (b) revenue data and (c) number of customers data by month, customer class, and type of potentially competitive electric service for the most recent full calendar year. *Alternative sellers that do not maintain revenue data on sales segregated by potentially competitive service will work with commission staff to develop a reasonable method for allocating revenues among potentially competitive services by customer classes and will use the agreed upon method to calculate revenues for each potentially competitive service by customer class.*

Sec. 7. Performance Standards and Reliability Reporting Requirements

1. Engineering design standards

a. To assess power supply design adequacy, the commission shall use the WSCC power supply design criteria (or any equivalent standards and performance criteria of an appropriate regional coordinating council).

b. To assess transmission system reliability the commission shall use the WSCC transmission planning design criteria. (or any equivalent standards and performance criteria of an appropriate regional coordinating council).

c. To assess the adequacy of ancillary services, the commission shall use the WSCC minimum operating reserve criteria (or any equivalent standards and performance criteria of an appropriate regional coordinating council).

2. Reliability reporting requirements

a. The transmission owner(s) will annually provide an estimate of the transmission operator's ability to comply with the power supply design criteria identified in 7(1)(a) for the upcoming four year period for each of the Nevada control areas in which it operates. If the transmission system operator timely provides the information to the commission then the transmission owner need not provide this information.

b. Owner(s) of transmission facility(ies) will annually provide a report summarizing outages for each transmission circuit. The report must include the following for each circuit: a circuit identifier and the number of momentary and sustained outages experienced on the circuit. If the transmission system operator timely provides the information to the commission then the transmission owner need not provide this information.

c. Owner(s) of transmission facility(ies) will provide a summary of operating transfer capability data for the year in which it most recently submitted these data to the WSCC (or another appropriate regional coordinating council) to comply with the reporting requirements of the WSCC (or another appropriate regional coordinating council).

d. The transmission owner(s) shall annually provide a summary of the operating reserve, control performance standard (CPS) and disturbance control standard (DCS) data that

the transmission system operator most recently submitted to the WSCC (or another appropriate regional coordinating council). If the transmission system operator timely provides the information to the commission then the transmission owner need not provide this information.

e. For each operating area, the electric distribution utility shall annually provide a distribution reliability performance report that:

(1) Includes: (a) the CAIDI, MAIFI, SAIDI, and SAIFI reliability indices values for the operating area and for each geographic region within the operating area. Indices values with and without major events, scheduled interruptions or interruptions caused by events outside of the distribution system shall be included. The definitions contained in this regulation shall be adopted for calculation of the reliability indices; (b) The reliability indices values prepared for the report shall be compared to the values in the previous four reports; and (c) A detailed explanation of the methodology, equations, basic factors, and assumptions used by the electric distribution utility to calculate the reliability indices;

(2) Identifies the 25 circuits with the worst CAIDI, MAIFI, SAIDI, SAIFI reliability index values; and

(3) Summarizes the power quality problem complaints received by the electric distribution utility. The specific requirements of the summary report will be identified in Staff's request pursuant to section 6(2)(a) of this regulation.

Sec. 8. Adequacy Assessment

1. Assessment of need for additional resources or facilities

Staff shall determine whether or not the level of resource capacity in southern Nevada and northern Nevada complies with reserve-margin standards referred to in 7(1)(a). The data collected pursuant to sections 6 and 7 of this regulation shall be used by Staff to develop a forecast of summer and winter system peak load and capacity, including import capability, for northern Nevada and southern Nevada. These forecasts of energy, capacity and peak load by region will be analyzed using the power-supply-design criteria referenced in section 7(1)a to assess the need for additional resources and facilities.

2. Evaluation of alternatives for meeting identified needs for resources or facilities

If the level of forecasted resource capacity for a control area does not meet the power-supply-design criteria or does not otherwise meet the anticipated energy requirements and if the commission finds that the inadequacy is unlikely to be timely met by competitive forces the commission may (after notice and an opportunity for a public hearing) institute measures to meet the inadequacy. The measures may include:

a. Directing alternative sellers and the provider(s) of last resort to submit short term plans for reducing demand.

b. Contracting with an independent entity to issue requests for proposals. The proposals may offer to meet the identified deficiency through the provision of transmission, generation, or other options.

c. Take other actions to ensure the adequacy of electric power consistent with the provisions of NRS 704.988(2).

INFORMATIONAL STATEMENT

**LEGISLATIVE REVIEW OF ADOPTED REGULATION
AS REQUIRED BY THE ADMINISTRATIVE PROCEDURES ACT
NRS 233B.066
PUBLIC UTILITIES COMMISSION OF NEVADA
LCB FILE NO. T021-00
DOCKET NO. 97-8001 (LOAD FORECASTING)**

The following statement is submitted for adopted amendments to Nevada Administrative Code (“NAC”) 704.

1. 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 regulation in Public Utilities Commission of Nevada (“Commission”) Docket No. 97-8001 was noticed six (6) times: June 8, 1999, August 10, 1999, April 12, 2000, June 9, 2000, July 25, 2000 and August 18, 2000, in the Elko Daily Free Press, the Ely Daily Times, the Humboldt Sun, the Las Vegas Review Journal, the Mineral County Independent, the Nevada Appeal, the Reno Gazette Journal and the Tonopah Times-Bonanza. Additionally, the notice was mailed to county clerks in Reno, Carson City and Nevada, and all persons who requested inclusion on the Commission’s service list. There was no public response except from the affected businesses which is discussed in #3 below. A copy of the summary may be obtained by calling the Commission at (775) 687-6001 or (702) 486-2600, or by writing to the Commission at 1150 East William Street, Carson City, Nevada 89701 or 101 Convention Center Drive, Suite 250, Las Vega, Nevada 89109.

2. The number of persons who:

(a) Attended the workshop:

July 1 and 22, 1999: 12
May 17, 18, and June 2, 2000: 8
July 21, 2000: 6
September 27, 2000: 5

(b) Testified at the workshop:

July 1 and 22, 1999: 8
May 17, 18, and June 2, 2000: 4
July 21, 2000: 1
September 27, 2000: 0

(c) Attended the hearing:

September 20, 1999: 8
September 27, 2000: 4

(d) Submitted to the agency written comments: Written comments were submitted to the Commission by the Regulatory Operations Staff (“Staff”) of the Commission, Sierra Pacific Power Company (“Sierra”), Nevada Power Company (“NPC”) and Enron Corporation (“Enron”).

3. 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 by publication in the newspapers, as outlines in #1 above, and by direct mail to interested persons subscribing to the Commission's mailing list. Sierra and NPC proposed that: (1) the regulation be revised to include a schedule for the transmittal of information that, to the extent practicable, coincides with the preparation and transmittal of information pursuant to triennial resource plans; (2) the annual filing date be moved to coincide with the statutory requirement of the triennial resource plan; (3) the Commission consider changing the date of the resource plan status report to coincide with the July 1 date; and (4) the Commission consider consolidating and coordinating the requirements of the regulation to the greatest extent possible. Enron: (1) proposed that the Commission modify the proposed rule to provide alternative sellers a presumption of confidentiality; (2) objected to the requirement that alternative sellers provide energy revenue data; and (3) urged the Commission to limit the applicability of the load-forecasting rule to the Electric Distribution Utility. A copy of the summary may be obtained by calling the Commission at (775) 687-6001 or (702) 486-2600, or by writing to the Commission at 1150 East William Street, Carson City, Nevada 89701 or 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.

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 regulation was adopted at general session of the Public Utilities Commission of Nevada, held at its offices on October 12, 2000 at a duly-noticed agenda meeting on October 12, 2000. Prior to being adopted, the participating interested persons represented to the Commission at the hearing held on September 27, 2000 that they supported the rule as promulgated.

5. The estimated economic effect of the adopted regulation on the business 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 intermediate and long-term effects.**

Some alternative sellers of potentially competitive or noncompetitive energy-related products or services may experience some adverse economic effect from the implementation of the regulation. However, the cost is expected to be very minimal.

The regulation is expected to have a long-term beneficial economic effect upon the regulated community. The regulation is expected to result in market efficiency and business savings resulting from the utilization of market information synthesized by Staff, allowing all market participants to reap economic benefit from free, publicly available market information.

The intermediate and long-term economic effect on the public is expected to be beneficial.

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

There is not additional cost to the agency for enforcement of this regulation.

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.

There are no other state or government agency regulations that the proposed regulation duplicates.

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

The proposed regulation does not include provisions that are more stringent than a federal regulation which regulates the same activity.

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.

This regulation does not provide or involve a new fee, and hence since no fee is involved, there is not a total amount expected to be collected or used.