

**ADOPTED REGULATION OF THE
COLORADO RIVER COMMISSION OF NEVADA**

LCB File No. R108-06

§§1-8, 10 and 11 effective June 28, 2006

§9 effective October 1, 2008

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

AUTHORITY: §§1-11, NRS 538.201.

A REGULATION relating to the Colorado River Commission of Nevada; revising the date on which contracts for the delivery of long-term power from the Parker-Davis Project and the Salt Lake City Area Integrated Projects expire; removing the requirement that the Commission offer to the contractor the right to renew contracts for the delivery of long-term power from the Parker-Davis Project and the Salt Lake City Area Integrated Projects upon the expiration of those contracts; revising the amount of marketable capacity and energy available to entities that purchase energy from the Commission; and providing other matters properly relating thereto.

Section 1. NAC 538.358 is hereby amended to read as follows:

538.358 “Operating year” means *a 12-month period that coincides with* the 12-month period *designated by federal law as a fiscal year. Until changed by federal law, the term means the period* that commences October 1 of each year, immediately following midnight of September 30 of that year, and ends at midnight of September 30 of the following year.

Sec. 2. NAC 538.410 is hereby amended to read as follows:

538.410 An applicant for an allocation of power from the Commission must supply information as requested by the Commission and must:

1. Be an entity to which the Commission is authorized by law to sell electricity or provide transmission service or distribution service, or both;

2. Be able to receive energy from one or more of the Commission’s points of delivery, including, without limitation, Amargosa substation, Basic substation, Boulder City switchyard, Boulder City tap, Clark tie, Eastside substation, Mead substation or Newport substation;

3. Be able to maintain a ratio between “real power” in kilowatts and “apparent power” in kilovoltamperes (“power factor”) within at least 95 percent, if called upon to do so;

4. Meet the requirements for a program for ~~conservation and renewable energy~~ *integrated resource planning* or a similar program, however designated, set forth as a condition to the purchase of power by:

- (a) Regulations adopted by Western pursuant to 42 U.S.C. § 7276;
- (b) Federal statute; or
- (c) The Commission; and

5. If the applicant is an electric utility:

(a) Have a principal load that:

(1) Has a peak demand of at least 8 megawatts; and

(2) Is located within Western’s marketing area in this state for power from the Boulder Canyon Project, Parker-Davis Project or Southern Division of the Salt Lake City Area Integrated Projects; and

(b) Be qualified to receive preference power under the applicable provisions of federal law relating to preference power when applying for electric power from the Parker-Davis Project or Salt Lake City Area Integrated Projects.

Sec. 3. NAC 538.500 is hereby amended to read as follows:

538.500 1. Contracts for the delivery of long-term power from the Boulder Canyon Project allocated under NAC 538.340 to 538.740, inclusive, become effective on the day they are

executed and expire on the last day of the billing period for September 2017, unless terminated before that date by the contractor or the Commission in accordance with the terms of the contract.

2. Contracts for the delivery of long-term power from the Parker-Davis Project allocated under NAC 538.340 to 538.740, inclusive, become effective on the day they are executed and expire on the last day of the billing period for September ~~[2007,]~~ 2028, unless terminated before that date by the contractor or the Commission in accordance with the terms of the contract.

3. Contracts for the delivery of long-term power from the Salt Lake City Area Integrated Projects allocated under NAC 538.340 to 538.740, inclusive, become effective on the first day of the billing period for October 1989 ~~[,]~~ and expire on the last day of the billing period for September ~~[2004,]~~ 2024, unless terminated before that date by the contractor or the Commission in accordance with the terms of the contract.

4. The term of contracts for short-term power will be determined by the Executive Director of the Commission for each contract.

5. The Commission will, upon the expiration of a contract described in subsection 1, ~~[2-or 3,]~~ offer to the contractor the right to renew the contract. This right is subject to the conditions set forth in subsection 7 of NRS 538.181 and the terms for such renewal provided in the contract.

Sec. 4. NAC 538.530 is hereby amended to read as follows:

538.530 1. Except as otherwise provided in subsection 3, each contractor shall, within 1 year after entering into a contract with the Commission pursuant to NAC 538.340 to 538.740, inclusive, establish and maintain a program for ~~[conservation and renewable energy]~~ *integrated resource planning* or a similar program, however designated, set forth as a condition to the purchase of power by:

- (a) Regulations adopted by Western pursuant to 42 U.S.C. § 7276;
- (b) Federal statute; or
- (c) The Commission.

2. When requested, the Commission, with the help of Western and to the extent possible, will guide and assist the contractor in the development of its program.

3. The provisions of subsection 1 do not apply if Western accepts a program for ~~conservation and renewable energy~~ *integrated resource planning* or a similar program, however designated, established and maintained by the Commission on behalf of the contractor.

Sec. 5. NAC 538.560 is hereby amended to read as follows:

538.560 Except as otherwise provided in this section, if, for 3 consecutive operating years, a retail customer does not use the full allocation of power made available to it by the Commission, the Commission, after notifying the contractor, may reduce its allocation to that contractor to the extent of the contractor's failure to use that full allocation. A reduction will not be made if the contractor's failure to use that full allocation is caused by the implementation of a program for ~~conservation and renewable energy~~ *integrated resource planning* or a similar program, however designated, described in NAC 538.530 and approved for the contractor by Western or the Commission.

Sec. 6. NAC 538.650 is hereby amended to read as follows:

538.650 1. The points of delivery and voltages for the marketing area for the Boulder Canyon Project, Parker-Davis Project and Salt Lake City Area Integrated Projects are:

[—————	Location	—————	Kilovolts
—————	Parker-Davis Project		

Amargosa substation	138.0
Basic substation	230.0
Boulder City switchyard	69.0
Boulder City tap	230.0
Clark tie	230.0

Location	Kilovolts
Boulder Canyon Project	

Mead substation	69.0
Mead substation	230.0

<i>Location</i>	<i>Kilovolts</i>
<i>Parker-Davis Project</i>	

<i>Amargosa substation</i>	<i>138.0</i>
<i>Clark tie</i>	<i>230.0</i>
<i>Henderson substation</i>	<i>230.0</i>
<i>Mead substation</i>	<i>230.0</i>

Location	Kilovolts
Salt Lake City Area Integrated Projects	

[Pinnacle Peak]	[230.0]
Amargosa substation	138.0
[Basic substation]	[230.0]
Boulder City tap	230.0
Clark tie	230.0
<i>Henderson substation</i>	<i>230.0</i>
<i>Mead substation</i>	<i>230.0</i>
<i>Pinnacle Peak/Rogers substation</i>	<i>230.0</i>

2. Delivery will be made at designated points on Western’s “Parker-Davis Project Southern Nevada Facilities” at rates of delivery not to exceed the available capability of the facilities. The designated points of delivery and Western’s “Parker-Davis Project Southern Nevada Facilities” may be modified as required.

3. The designation of a point of delivery does not imply any obligation on the Commission’s part to furnish additional facilities or to increase the capabilities of transmission or of the transformer at the designated points. Each contractor must obtain the permission of the Commission for any modification to existing facilities and alternate or additional points of delivery. Requests for taps on Western’s “Parker-Davis Project Southern Nevada Facilities” will be considered by the Commission individually.

4. Any cost associated with obtaining points of delivery or voltage at other than those set forth in subsection 1 is the obligation of the contractor.

5. Power from the Boulder Canyon Project will be delivered at the Mead substation. If a contractor cannot accept delivery of power from the Boulder Canyon Project at the Mead

substation, arrangements for transmission service to other points of delivery are the obligation of the contractor.

Sec. 7. NAC 538.690 is hereby amended to read as follows:

538.690 1. Pool 1 consists of a total of 377,000 kilowatts of capacity and 1,057,989,000 kilowatt-hours of energy from the following sources of the Boulder Canyon Project:

Schedule A		Schedule B	
Capacity (KW)	Energy (KWH)	Capacity (KW)	Energy (KWH)
189,000	645,989,000	188,000	412,000,000

2. This resource is reserved for allocation to the named entities as follows:

Hoover Capacity and Energy				
[Contractor] <i>Contractors</i>	Schedule A		Schedule B	
	Capacity (KW)	Energy (KWH)	Capacity (KW)	Energy (KWH)
American Pacific Corp.	10,625	49,952,389	0	0
Basic Water Co.	4,827	9,738,148	0	0
Boulder City	0	0	8,500	17,870,400
Chemical Lime Co.	382	2,164,033	0	0
[Kerr-McGee Chemical L.L.C.]	[17,649]	[75,561,510]	[0]	[0]
Lincoln County Power				
District No. 1	4,828	20,726,814	21,339	77,521,529
Nevada Power Company	100,232	240,098,311	135,000	283,824,000
Overton Power District No. 5	6,507	27,936,142	13,007	20,946,270
[Pioneer Americas, Inc.]	15,207	75,200,137	0	0
<i>Southern Nevada Water</i>				

Hoover Capacity and Energy

{Contractor} <i>Contractors</i>	Schedule A		Schedule B	
	Capacity (KW)	Energy (KWH)	Capacity (KW)	Energy (KWH)
<i>Authority</i>				
Titanium Metals Corp.	21,397	113,070,710	0	0
<i>Tronox LLC</i>	<i>17,649</i>	<i>75,561,510</i>	<i>0</i>	<i>0</i>
Valley Electric Association	7,346	31,540,806	10,154	11,837,801
Totals	189,000	645,989,000	188,000	412,000,000

Sec. 8. NAC 538.700 is hereby amended to read as follows:

NEW FIRST
PARALLEL
SECTION

538.700 Pool 2 consists of power from the Parker-Davis Project in the amounts of 56,950 kilowatts of capacity and 195,964,950 kilowatt-hours of energy in the summer season and 41,010 kilowatts of capacity and 69,840,030 kilowatt-hours of energy in the winter season. This resource is reserved for allocation as firm and withdrawable power to the named entities as follows:

Parker-Davis Capacity in KW

Contractors ¹	Summer Season			Winter Season		
	Firm	Withdrawable	Total	Firm	Withdrawable	Total
BWC	2,750	272	3,022	1,968	162	2,130
CL	218	21	239	156	13	169
{KM}	{16,108}	{1,594}	{17,702}	{11,532}	{950}	{12,482}

Parker-Davis Capacity in KW

OPD	4,528	0	4,528	3,690	0	3,690
[PA] SNWA	8,664	857	9,521	6,202	511	6,713
TM	12,190	1,206	13,396	8,727	719	9,446
TR	16,108	1,594	17,702	11,532	950	12,482
VEA	8,542	0	8,542	6,380	0	6,380
Totals	53,000	3,950	56,950	38,655	2,355	41,010

Parker-Davis Energy in KWH

Contractors ¹	Summer Season			Winter Season			Annual
	Firm	Withdrawable	Total	Firm	Withdrawable	Total	
BWC	4,076,594	406,404	4,482,998	1,477,780	119,917	1,597,697	6,080,695
CL	905,910	90,312	996,222	328,395	26,649	355,044	1,351,266
[KM]	[52,542,765]	[5,238,094]	[57,780,859]	[19,046,945]	[1,545,600]	[20,592,545]	[78,373,404]
OPD	16,272,104	0	16,272,104	5,799,222	0	5,799,222	22,071,326
[PA] SNWA	31,480,365	3,138,340	34,618,705	11,411,748	926,027	12,337,775	46,956,480
TM	47,333,785	4,718,800	52,052,585	17,158,670	1,392,372	18,551,042	70,603,627
TR	52,542,765	5,238,094	57,780,859	19,046,945	1,545,600	20,592,545	78,373,404
VEA	29,761,477	0	29,761,477	10,606,705	0	10,606,705	40,368,182
Totals	182,373,000	13,591,950	195,964,950	65,829,465	4,010,565	69,840,030	265,804,980

¹Key: BWC = Basic Water Co.

CL = Chemical Lime Co.

~~[KM]~~ ~~[=]~~ ~~[Kerr-McGee Chemical L.L.C.]~~

OPD = Overton Power District No. 5

~~[PA]~~ = ~~[Pioneer Americas, Inc.]~~ *Southern Nevada Water Authority*

SNWA

TM = Titanium Metals Corp.

TR = *Tronox LLC*

VEA = Valley Electric Association

Sec. 9. NAC 538.700 is hereby amended to read as follows:

NEW
SECOND
PARALLEL
SECTION
(Proof
against § 8)

538.700 Pool 2 consists of power from the Parker-Davis Project in the amounts of ~~[56,950]~~ *56,560* kilowatts of capacity and ~~[195,964,950]~~ *194,622,960* kilowatt-hours of energy in the summer season and ~~[41,010]~~ *40,752* kilowatts of capacity and ~~[69,840,030]~~ *69,400,656* kilowatt-hours of energy in the winter season. This resource is reserved for allocation as firm and withdrawable power to the named entities as follows:

Parker-Davis Capacity in KW

Contractors ¹	Summer Season			Winter Season		
	Firm	Withdrawable	Total	Firm	Withdrawable	Total
BWC	[2,750] <i>2,756</i>	[272] <i>245</i>	[3,022] <i>3,001</i>	[1,968] <i>1,972</i>	[162] <i>144</i>	[2,130] <i>2,116</i>
CL	218	[21] <i>19</i>	[239] <i>237</i>	156	[13] <i>12</i>	[169] <i>168</i>
OPD	[4,528] <i>4,497</i>	0	[4,528] <i>4,497</i>	[3,690] <i>3,667</i>	0	[3,690] <i>3,667</i>
SNWA	[8,664]	[857]	[9,521]	[6,202]	[511]	[6,713]

Parker-Davis Capacity in KW

	8,684	772	9,456	6,216	455	6,671
TM	[12,190]	[1,206]	[13,396]	[8,727]	[719]	[9,446]
	12,217	1,087	13,304	8,747	640	9,387
TR	[16,108]	[1,594]	[17,702]	[11,532]	[950]	[12,482]
	16,144	1,437	17,581	11,557	846	12,403
VEA	[8,542]	0	[8,542]	[6,380]	0	[6,380]
	8,484		8,484	6,340		6,340
Totals	53,000	[3,950]	[56,950]	38,655	[2,355]	[41,010]
		3,560	56,560		2,097	40,752

Parker-Davis Energy in KWH

Contractors ¹	Summer Season			Winter Season			Annual
	Firm	Withdrawable	Total	Firm	Withdrawable	Total	
BWC	[4,076,594]	[406,404]	[4,482,998]	[1,477,780]	[119,917]	[1,597,697]	[6,080,695]
	4,086,020	366,278	4,452,298	1,480,866	106,780	1,587,646	6,039,944
CL	[905,910]	[90,312]	[996,222]	[328,395]	[26,649]	[355,044]	[1,351,266]
	908,005	81,395	989,400	329,081	23,729	352,810	1,342,210
OPD	[16,272,104]	0	[16,272,104]	[5,799,222]	0	[5,799,222]	[22,071,326]
	16,160,671		16,160,671	5,762,738		5,762,738	21,923,409

Parker-Davis Energy in KWH

Contractors ¹	Summer Season			Winter Season			Annual
	Firm	Withdrawable	Total	Firm	Withdrawable	Total	
SNWA	[31,480,365]	[3,138,340]	[34,618,705]	[11,411,748]	[926,027]	[12,337,775]	[46,956,480]
	31,553,153	2,828,479	34,381,632	11,435,579	824,577	12,260,156	46,641,788
TM	[47,333,785]	[4,718,800]	[52,052,585]	[17,158,670]	[1,392,372]	[18,551,042]	[70,603,627]
	47,443,230	4,252,893	51,696,123	17,194,503	1,239,832	18,434,335	70,130,458
TR	[52,542,765]	[5,238,094]	[57,780,859]	[19,046,945]	[1,545,600]	[20,592,545]	[78,373,404]
	52,664,254	4,720,915	57,385,169	19,086,721	1,376,273	20,462,994	77,848,163
VEA	[29,761,477]	0	[29,761,477]	[10,606,705]	0	[10,606,705]	[40,368,182]
	29,557,667		29,557,667	10,539,977		10,539,977	40,097,644
Totals	182,373,000	[13,591,950]	[195,964,950]	65,829,465	[4,010,565]	[69,840,030]	[265,804,980]
		12,249,960	194,622,960		3,571,191	69,400,656	264,023,616

- ¹Key:
- BWC = Basic Water Co.
 - CL = Chemical Lime Co.
 - OPD = Overton Power District No. 5
 - SNWA = Southern Nevada Water Authority
 - TM = Titanium Metals Corp.
 - TR = Tronox LLC
 - VEA = Valley Electric Association

Sec. 10. NAC 538.730 is hereby amended to read as follows:

538.730 Pool 3 consists of power from the Salt Lake City Area Integrated Projects, at Pinnacle Peak, in the amounts of ~~[22,420]~~ **20,851** kilowatts of capacity and ~~[49,521,181]~~ **46,054,700** kilowatt-hours of energy in the summer season and ~~[29,477]~~ **27,414** kilowatts of capacity and ~~[65,603,370]~~ **61,011,134** kilowatt-hours of energy in the winter season. This resource is reserved for allocation to the named entities as follows:

Salt Lake City Area Integrated Projects

Capacity and Energy

Contractor ¹	Summer Season		Winter Season	
	Capacity(KW)	Energy(KWH)	Capacity(KW)	Energy(KWH)
Ampac	[2,963]	[6,544,964]	[3,896]	[8,670,466]
	2,756	6,086,817	3,623	8,063,533
BC	[5,953]	[13,149,150]	[7,827]	[17,419,386]
	5,537	12,228,710	7,279	16,200,029
OPD	[6,752]	[14,913,533]	[8,877]	[19,756,759]
	6,279	13,869,586	8,256	18,373,786
VEA	[6,752]	[14,913,534]	[8,877]	[19,756,759]
	6,279	13,869,587	8,256	18,373,786
Totals	[22,420]	[49,521,181]	[29,477]	[65,603,370]
	20,851	46,054,700	27,414	61,011,134

¹Key:Ampac = American Pacific Corporation

BC =Boulder City

OPD =Overton Power District No. 5

VEA =Valley Electric Association

Sec. 11. 1. This section and sections 1 to 8, inclusive, and 10 of this regulation become effective on June 28, 2006.

2. Section 9 of this regulation becomes effective on October 1, 2008.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R108-06**

The Colorado River Commission of Nevada adopted regulations assigned LCB File No. R108-06 which pertain to chapter 538 of the Nevada Administrative Code on June 13, 2006.

Notice date: 5/10/2006
Hearing date: 6/13/2006

Date of adoption by agency: 6/13/2006
Filing date: 6/28/2006

INFORMATIONAL STATEMENT

The following statement is submitted pursuant to NRS 233B.066 for amendments to NAC 538.340 to 538.740, inclusive, adopted by the Colorado River Commission of Nevada on June 13, 2006, under the title:

“A REGULATION relating to the Colorado River Commission of Nevada; revising the amount of marketable capacity and energy available to entities that purchase energy from the Commission; and providing other matters properly relating thereto.

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.

Copies of the Notice of Workshop and Hearing for the Amendment of Certain Regulations of the Colorado River Commission of Nevada (R108-06), which contained the text of the proposed regulation and solicited comments on it, were posted at the State Library in Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation were available at the offices of the Colorado River Commission (CRC) in Las Vegas, Nevada, and were sent to the main public libraries in all counties, for inspection and copying by members of the public during business hours. Copies were also sent to those persons on the commission’s mailing list for notice of meetings, and the notice was posted in the same places as notices of any other meeting of the commission. The notice and the text of the proposed regulation were also available in the State of Nevada Register of Administrative Regulations and at the workshop itself.

No public response was presented either before or at the public workshop or the public hearing held on June 13, 2006.

A copy of this summary of public response may be obtained by telephoning the CRC at 702-486-2670 or writing to Mr. George Caan, Executive Director, Colorado River Commission, 555 East Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065.

2. **The number of persons who:**
 - (a) **Attended each hearing;**
 - (b) **Testified at each hearing; and**
 - (c) **Submitted to the agency written statements.**

The Colorado River Commission of Nevada held one hearing on June 13, 2006. Six persons attended the hearing. No persons testified at the hearing or submitted written statements concerning the proposed regulation.

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 through the Notice of Workshop and Hear as described in paragraph 1 above. CRC also held a meeting on April 25, 2006, with its electric power customers, who are directly affected by the proposed regulation, to explain the proposed amendments and solicit comments. Several of the customers asked questions seeking clarifications. No opposition to the proposed regulation or suggestions for changes was offered by the power customers. The customers confirmed that none is a "small business" as defined in NRS 233B.0382. No written or other oral comments were received.

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 Colorado River Commission of Nevada adopted the text of the proposed regulation as revised by the Legislative Counsel Bureau. No testimony was received in opposition to the proposed regulation or which suggested other changes to the proposed regulation.

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.**

There is no estimated economic effect on businesses to which these regulations might be of interest, either adverse or beneficial, nor immediate or long-term. Similarly, there is no estimated economic effect on the public, either adverse or beneficial, nor immediate or long-term. The proposed regulation reflects electric power allocations already made by contract to the State of Nevada by the federal Western Area Power Administration and, in turn, to the power customers of the Colorado River Commission of Nevada.

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

There is no additional cost to the agency for enforcement of the adopted 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 overlaps or 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.**

There are no federal regulations which regulate the activity covered by the adopted regulation.

- 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.**

The adopted regulation does not provide a new fee or increase an existing fee.