

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS
AS REQUIRED BY NRS 233B.066
LCB FILE R076-11 (DOCKET NO. 11-08022)
R126-11**

The following informational statement is submitted for adopted amendments to Nevada Administrative Code Chapters 703 and 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.

Copies of the proposed regulations, notice of intent to act upon the regulation and notice of workshop and hearing were sent by U.S. mail and email to persons who were known to have an interest in the subjects of noticing and interventions. These documents were also made available at the website of the Public Utilities Commission of Nevada (“PUCN”), <http://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

Ely Times
Las Vegas Review Journal
Nevada Appeal
Reno Gazette Journal
Tonopah Times-Bonanza

and posted at the following locations:

Public Utilities Commission
1150 East William Street
Carson City, Nevada 89701

Public Utilities Commission
9075 W. Diablo Drive, Suite 250
Las Vegas, Nevada 89148

First Judicial District Court
885 East Musser Street
Carson City, Nevada 89701

Second Judicial District Court
75 Court Street
Reno, Nevada 89501

Eighth Judicial District Court
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

The Regulatory Operations Staff (“Staff”), Southwest Gas Corporation (“SWG”), Sierra Pacific Power Company d/b/a/ NV Energy and Nevada Power Company d/b/a NV Energy (collectively, “NV Energy”) submitted comments. Staff had no objection to the comments filed. SWG stated that the proposed regulations are consistent with the intent of Assembly Bill 215. NV Energy supported the proposed regulations and offered additional modifications relating to the classification of revenues and corresponding Federal Energy Regulatory Commission (“FERC”) accounts.

Copies of the transcripts of the proceedings are available for review at the offices of the PUCN, 1150 East William Street, Carson City, Nevada 89701 and 9075 W. Diablo Drive, Suite 250, Las Vegas, Nevada 89148.

2. **The number of persons who:**
 - (a) **Attended each hearing:** March 8, 2012 - 5
 - (b) **Testified at each hearing:** March 8, 2012 - 5
 - (c) **Submitted to the agency written comments:** 3

3. **For each person identified in subparagraphs (b) and (c) of paragraph 2, the following information if provided to the agency conducting the hearing:**
 - (a) **Name;**
 - (b) **Telephone number;**
 - (c) **Business address;**
 - (d) **Business telephone number;**
 - (e) **Electronic mail address; and**
 - (f) **Name of entity or organization represented**

<p>Tammy Cordova 9075 W. Diablo Drive, Suite 250 Las Vegas, Nevada 89148 (702) 486-7905 tcordova@puc.nv.gov Public Utilities Commission of Nevada</p>	<p>John Brownrigg 9075 W. Diablo Drive, Suite 250 Las Vegas, Nevada 89148 (702) 486-7241 jbrownrigg@puc.nv.gov Public Utilities Commission of Nevada</p>
<p>Kyle O. Stephens 5241 Spring Mountain Road P.O. Box 98510 Las Vegas, Nevada 89146 (702) 876-7293 kyle.stephens@swgas.com Southwest Gas Corporation</p>	<p>Douglas Brooks 6226 West Sahara Avenue P.O. Box 98910 Las Vegas, Nevada 89146 (702) 402-5697 DBrooks@nvenergy.com Sierra Pacific Power Company d/b/a NV Energy NV Power Company d/b/a NV Energy</p>
<p>Patricia Franklin 6100 Neil Road P.O. Box 10100 Reno, Nevada 89520 (775) 834-5824 PFranklin@nvenergy.com Sierra Pacific Power Company d/b/a NV Energy NV Power Company d/b/a NV Energy</p>	

- 4. 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 in the same manner as they were solicited from the public.

The summary may be obtained as instructed in the response to question #1.

- 5. 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 permanent regulations were adopted on March 19, 2012. Changes were made to the proposed regulations.

- 6. 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.**

(a) Both adverse and beneficial effects:

The regulations will benefit ratepayers because the provision for quarterly rate adjustments will likely decrease carrying charges usually paid on the fuel and purchased power costs to ratepayers. The utilities will benefit from the proposed regulations because the provision for quarterly rate adjustments will minimize regulatory lag for the passing through of the fuel and purchased power costs to ratepayers. This, in turn, should allow the current rate to be more in line with the current company costs, thus providing a more improved price signal and greater price stability for ratepayers.

(b) Both immediate and long-term effects:

See Item # 6(a).

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

There is no additional cost to the agency for enforcement of these regulations.

- 8. 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.**

These regulations do not overlap or duplicate any federal, state, or local regulations.

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

N/A

- 10. 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.**

N/A

- 11. If the proposed regulation is likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

The PUCN has determined that the proposed regulations do not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination, the PUCN adopted the findings of Staff, which conducted a Delphi Method exercise to determine the impacts. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts.

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Rulemaking to amend, adopt, and/or repeal regulations)
regarding quarterly rate adjustments for public utilities)
that purchase natural gas for resale and electric utilities) Docket No. 11-08022
in accordance with Assembly Bill 215.)
_____)

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on March 15, 2012.

PRESENT: Chairman Alaina Burtenshaw
Commissioner Rebecca D. Wagner
Commissioner David Noble
Assistant Commission Secretary Breanne Potter

ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following
findings of fact and conclusions of law:

I. INTRODUCTION

The Commission opened a rulemaking to amend, adopt, and/or repeal regulations
regarding quarterly rate adjustments for public utilities that purchase natural gas for resale and
electric utilities in accordance with Assembly Bill 215 (“AB 215”).

II. SUMMARY

The proposed regulations, attached hereto as Attachment 1, are adopted as permanent
regulations.

III. PROCEDURAL HISTORY

- On August 24, 2011, the Commission opened the rulemaking. The matter was designated as Docket No. 11-08022.
- This rulemaking was conducted pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”) Chapters 233B, 703, and 704, including but not limited to NRS 703.025, 704.110 and 704.210.
- On September 28, 2011, the Commission sent the proposed regulations to the Legislative Counsel Bureau (“LCB”) for review pursuant to NRS 233B.063.

- On September 29, 2011, the Presiding Officer issued a Procedural Order with the proposed regulations attached. The Regulatory Operations Staff (“Staff”) of the Commission was directed to conduct an investigation pursuant to NRS 233B.0608 to determine whether the proposed regulations issued by the Presiding Officer are likely to: (a) impose a direct and significant economic burden upon a small business; or (b) directly restrict the formation, operation or expansion of a small business.
- On November 30, 2011, following Staff’s recommendation at Utility Agenda 21-11, the Commission issued an Order finding that the proposed regulations do not impose a direct and significant economic burden upon small businesses, nor do they directly restrict the formation, operation or expansion of a small business.
- On January 12, 2012, the proposed regulations (LCB File No. R076-11) were returned to the Commission by LCB in revised form.
- On January 25, 2012, the Commission issued a Notice of Intent to Act Upon Regulations, Notice of Workshop, and Notice of Hearing for the Adoption, Amendment, and/or Repeal of Regulations of the Public Utilities Commission of Nevada.
- On February 21, 2012, comments were filed by Southwest Gas Corporation and Sierra Pacific Power Company d/b/a NV Energy and Nevada Power Company d/b/a NV Energy (collectively “NV Energy”).
- On February 28, 2012, Staff filed a letter stating that it did not intend to file reply comments and had no objection to the comments filed by NV Energy and Southwest Gas Corporation.
- On March 1, 2012, a workshop was held. Appearances were made by NV Energy, Southwest Gas Corporation, and Staff.
- On March 5, 2012, NV Energy filed additional revisions to the Commission’s proposed regulations.
- On March 8, 2012, a hearing was held. Appearances were made by NV Energy, Southwest Gas Corporation, and Staff. The Presiding Officer accepted additional modifications to the proposed regulations, which were submitted collectively by Staff and NV Energy. The modified sections are highlighted.

IV. REGULATIONS

1. As a result of the discussions with participants at the workshop and hearing as well as comments submitted by the participants thereafter, revisions were made to the proposed regulations.

2. The Commission believes that the proposed regulations will benefit ratepayers

because the provision for quarterly rate adjustments will likely decrease carrying charges usually paid on the fuel and purchased power costs to ratepayers. The utilities will benefit from the proposed regulations because the provision for quarterly rate adjustments will minimize regulatory lag for the passing through of the fuel and purchased power costs to ratepayers. This, in turn, should allow the current rate to be more in line with the current company costs, thus providing a more improved price signal and greater price stability for ratepayers.

3. Based on the foregoing, the Commission finds that it is in the public interest to adopt as permanent the proposed regulations.

THEREFORE, it is ORDERED that:

1. The proposed regulations, attached hereto as Attachment 1, are ADOPTED AS PERMANENT pursuant to NRS 233B.063.

2. The Commission may correct errors that have occurred in the drafting or issuance of this Order.

By the Commission,

/s/
ALAINA BURTENSHAW, Chairman

/s/
REBECCA D. WAGNER, Commissioner

/s/
DAVID NOBLE, Commissioner and
Presiding Officer

Attest: /s/
BREANNE POTTER,
Assistant Commission Secretary

Dated: Carson City, Nevada

(SEAL)