

ASSEMBLY BILL NO. 465—COMMITTEE  
ON GROWTH AND INFRASTRUCTURE

MARCH 25, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Establishes provisions relating to solar energy.  
(BDR 58-872)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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

AN ACT relating to energy; requiring electric utilities to offer an expanded solar access program to certain customers and to submit a plan to the Public Utilities Commission of Nevada for such a program; requiring the Commission to adopt regulations establishing standards for the program; requiring the Commission to approve a plan for an expanded solar access program if certain requirements are met; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 This bill enacts provisions for the implementation of an expanded solar access  
2 program by certain electric utilities in this State. This bill requires such electric  
3 utilities to offer an expanded solar access program to residential customers and to  
4 certain nonresidential customers who consume less than 10,000 kilowatt-hours of  
5 electricity per month. This bill requires the Public Utilities Commission of Nevada  
6 to adopt certain regulations for the implementation of the expanded solar access  
7 program and requires an electric utility to submit a plan for the implementation of  
8 the expanded solar access program. Among the requirements for the plan submitted  
9 by an electric utility to implement the expanded solar access program is that  
10 the capacity of the expanded solar access program be below a certain amount, that  
11 the program broaden access to solar energy in an equitable manner and that the  
12 program provide participating low-income residential customers with a lower rate.  
13 This bill requires an electric utility, in implementing the expanded solar access  
14 program, to make use of at least a certain number of community-based solar  
15 resources and utility scale solar resources.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** Chapter 704 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3       1. *An electric utility shall offer an expanded solar access*  
4 *program to eligible customers within its service area in*  
5 *accordance with the provisions of this section. The size of the*  
6 *expanded solar access program shall not exceed:*

7       (a) *For an electric utility that primarily serves densely*  
8 *populated counties, a total capacity of 240,000 megawatt-hours;*  
9 *and*

10       (b) *For an electric utility that primarily serves less densely*  
11 *populated counties, a total capacity of 160,000 megawatt-hours.*

12       2. *The Commission shall adopt regulations establishing*  
13 *standards for the expanded solar access program. The regulations*  
14 *must:*

15       (a) *Advance the development of solar energy resources in this*  
16 *State, including, without limitation, utility scale and community-*  
17 *based solar resources;*

18       (b) *Provide for the expanded solar access program to include a*  
19 *reasonable mixture of community-based solar resources and*  
20 *utility scale solar resources;*

21       (c) *Provide a plan for community participation in the siting*  
22 *and naming of community-based solar resources;*

23       (d) *Provide for solar workforce innovations and opportunity*  
24 *programs related to the construction, maintenance and operation*  
25 *of solar resources, including opportunities for workforce training,*  
26 *apprenticeships or other job opportunities at community-based*  
27 *solar resources;*

28       (e) *Provide for equitably broadened access to solar energy;*

29       (f) *Provide for the creation of an expanded solar access*  
30 *program rate for participating eligible customers that:*

31       (1) *Is based, among other factors, on a new utility scale*  
32 *solar resource accepted by the Commission in an order issued*  
33 *pursuant to NRS 704.751, as approved by the Commission;*

34       (2) *Is a fixed rate that replaces the base tariff energy rate*  
35 *and deferred accounting adjustment charged by the electric utility*  
36 *for participating customers and which is adjusted in accordance*  
37 *with the Commission's quarterly calculations;*

38       (3) *For low-income eligible customers, provides for a lower*  
39 *rate, the cost of which must be allocated across all of the rate*  
40 *classes of the utility;*



1           (4) *For eligible customers who are not low-income eligible*  
2 *customers, provides stability and predictability and the opportunity*  
3 *for a lower rate; and*

4           (5) *Includes for all participating customers any other*  
5 *applicable charges including, without limitation, the universal*  
6 *energy charge, franchise fees, the renewable energy program rate*  
7 *and base tariff general rates, except that the Commission may*  
8 *reduce one or more of these charges for low-income eligible*  
9 *customers to ensure that such customers receive a lower rate*  
10 *pursuant to subparagraph (3);*

11          (g) *Establish a process for identifying noncontiguous*  
12 *geographic locations for community-based solar resources which,*  
13 *to the extent practicable, must be located in communities with*  
14 *higher levels of low-income eligible customers;*

15          (h) *Provide for the use of at least one utility scale solar*  
16 *resource and at least three but not more than ten community-*  
17 *based solar resources within the service territory of the electric*  
18 *utility;*

19          (i) *Require not less than 50 percent of the employees engaged*  
20 *or anticipated to be engaged in construction of community-based*  
21 *solar resources to be residents of this State, which residency may*  
22 *be demonstrated, without limitation, by a notarized statement of*  
23 *the employee that he or she is a resident of this State;*

24          (j) *Provide for a mechanism for the host sites of community-*  
25 *based solar resources to receive compensation from the utility for*  
26 *the use of such site;*

27          (k) *Provide for the use of a combination of new and other*  
28 *renewable energy facilities, which may be either utility scale or*  
29 *community-based solar resources, that were submitted to the*  
30 *Commission for approval after May 1, 2018, and that were not*  
31 *placed into operation before April 1, 2020;*

32          (l) *Provide for an application and selection process for eligible*  
33 *customers to participate in the program;*

34          (m) *Ensure reasonable and equitable participation by eligible*  
35 *customers within the service area of the electric utility;*

36          (n) *Ensure that eligible customers are able to participate in the*  
37 *program regardless of whether the customer owns, rents or leases*  
38 *the customer's premises;*

39          (o) *Require that:*

40                (1) *Twenty-five percent of the capacity of the program, as*  
41 *provided in subsection 1, be reserved for low-income eligible*  
42 *customers;*

43                (2) *Twenty-five percent of the capacity of the program, as*  
44 *provided in subsection 1, be reserved for disadvantaged businesses*  
45 *and nonprofit organizations; and*



1           (3) *Fifty percent of the capacity of the program, as provided*  
2 *in subsection 1, be reserved for eligible customers who are fully*  
3 *bundled residential customers who own, rent or lease their*  
4 *residence and who certify in a statement which satisfies the*  
5 *requirements established by the Commission pursuant to*  
6 *paragraph (p) that they cannot install solar resources on their*  
7 *premises;*

8           (p) *Establish the requirements for a fully bundled residential*  
9 *customer to certify that he or she cannot install solar resources on*  
10 *his or her premises; and*

11           (q) *Establish standards for the form, content and manner of*  
12 *submission of an electric utility's plan for implementing the*  
13 *expanded solar access program.*

14           3. *An electric utility shall file a plan for implementing the*  
15 *expanded solar access program in accordance with the regulations*  
16 *adopted by the Commission pursuant to subsection 2.*

17           4. *The Commission shall review the plan for the*  
18 *implementation of the expanded solar access program submitted*  
19 *pursuant to subsection 3 and issue an order approving, with or*  
20 *without modifications, or denying the plan within 210 days. The*  
21 *Commission may approve the plan if it finds that the proposed*  
22 *expanded solar access program complies with the regulations*  
23 *adopted by the Commission pursuant to subsection 2.*

24           5. *In administering the provisions of this section, the electric*  
25 *utility and the Commission shall establish as the preferred sites for*  
26 *utility scale development of solar energy resources pursuant to this*  
27 *section brownfield sites and land designated by the Secretary of*  
28 *the Interior as Solar Energy Zones and held by the Bureau of*  
29 *Land Management.*

30           6. *As used in this section:*

31           (a) *"Brownfield site" has the meaning ascribed to it in 42*  
32 *U.S.C. § 9601.*

33           (b) *"Community-based solar resource" means a solar resource*  
34 *which has a nameplate capacity of not more than 1 megawatt and*  
35 *is owned and operated by the electric utility and connected to and*  
36 *used as a component of the distribution system of the electric*  
37 *utility.*

38           (c) *"Disadvantaged business" means a business for which:*

39           (1) *Fifty-one percent or more of the owners are women,*  
40 *veterans, members of a racial or ethnic minority group or*  
41 *otherwise part of a traditionally underrepresented group; and*

42           (2) *None of the owners has a net worth of more than*  
43 *\$250,000, not including the equity held in the business or in a*  
44 *primary residence.*



1 (d) "Electric utility" has the meaning ascribed to it in  
2 NRS 704.187.

3 (e) "Electric utility that primarily serves densely populated  
4 counties" has the meaning ascribed to it in NRS 704.110.

5 (f) "Electric utility that primarily serves less densely populated  
6 counties" has the meaning ascribed to it in NRS 704.110.

7 (g) "Eligible customer" means:

8 (1) A fully bundled general service customer; or

9 (2) A fully bundled residential customer of a utility.

10 (h) "Fully bundled customer" means a customer of an electric  
11 utility who receives energy, transmission, distribution and  
12 ancillary services from an electric utility.

13 (i) "Fully bundled general service customer" means a fully  
14 bundled customer who is a nonresidential customer with a  
15 kilowatt-hour consumption that does not exceed 10,000 kilowatt-  
16 hours per month.

17 (j) "Fully bundled residential customer" means a fully  
18 bundled customer who is a single-family or a multifamily  
19 residential customer.

20 (k) "Low-income eligible customer" means a natural person or  
21 household who is a fully bundled residential customer of a utility  
22 and has an income of not more than 80 percent of the area  
23 median income based on the guidelines published by the United  
24 States Department of Housing and Urban Development.

25 (l) "Solar Energy Zone" means an area identified and  
26 designated by the Bureau of Land Management as an area well-  
27 suited for utility-scale production of solar energy, and where the  
28 Bureau of Land Management will prioritize solar energy and  
29 associated transmission infrastructure development.

30 (m) "Solar resource" means a facility or energy system that  
31 uses a solar photovoltaic device to generate electricity.

32 (n) "Solar workforce innovations and opportunity program"  
33 means a workforce education, training and job placement  
34 program developed by the Department of Employment, Training  
35 and Rehabilitation and its appropriate industry sector council in  
36 conjunction with potential employers and community  
37 stakeholders.

38 (o) "Utility scale solar resource" means a solar resource which  
39 has a nameplate capacity of at least 50 megawatts and is  
40 interconnected directly to a substation of the electric utility  
41 through a generation step-up transformer.

42 **Sec. 2.** NRS 704.100 is hereby amended to read as follows:

43 704.100 1. Except as otherwise provided in NRS 704.075  
44 and 704.68861 to 704.68887, inclusive, *and section 1 of this act* or



1 as may otherwise be provided by the Commission pursuant to NRS  
2 704.095 or 704.097:

3 (a) A public utility shall not make changes in any schedule,  
4 unless the public utility:

5 (1) Files with the Commission an application to make the  
6 proposed changes and the Commission approves the proposed  
7 changes pursuant to NRS 704.110; or

8 (2) Files the proposed changes with the Commission using a  
9 letter of advice in accordance with the provisions of paragraph (f) or  
10 (g).

11 (b) A public utility shall adjust its rates on a quarterly basis  
12 between annual rate adjustment applications pursuant to  
13 subsection 8 of NRS 704.110 based on changes in the public  
14 utility's recorded costs of natural gas purchased for resale.

15 (c) An electric utility shall, between annual deferred energy  
16 accounting adjustment applications filed pursuant to NRS 704.187,  
17 adjust its rates on a quarterly basis pursuant to subsection 10 of  
18 NRS 704.110.

19 (d) A public utility shall post copies of all proposed schedules  
20 and all new or amended schedules in the same offices and in  
21 substantially the same form, manner and places as required by NRS  
22 704.070 for the posting of copies of schedules that are currently in  
23 force.

24 (e) A public utility may not set forth as justification for a rate  
25 increase any items of expense or rate base that previously have been  
26 considered and disallowed by the Commission, unless those items  
27 are clearly identified in the application and new facts or  
28 considerations of policy for each item are advanced in the  
29 application to justify a reversal of the prior decision of the  
30 Commission.

31 (f) Except as otherwise provided in paragraph (g), if the  
32 proposed change in any schedule does not change any rate or will  
33 result in an increase in annual gross operating revenue in an amount  
34 that does not exceed \$15,000:

35 (1) The public utility may file the proposed change with the  
36 Commission using a letter of advice in lieu of filing an application;  
37 and

38 (2) The Commission shall determine whether it should  
39 dispense with a hearing regarding the proposed change.

40 ➤ A letter of advice filed pursuant to this paragraph must include a  
41 certification by the attorney for the public utility or an affidavit by  
42 an authorized representative of the public utility that to the best of  
43 the signatory's knowledge, information and belief, formed after a  
44 reasonable inquiry, the proposed change in schedule does not



1 change any rate or result in an increase in the annual gross operating  
2 revenue of the public utility in an amount that exceeds \$15,000.

3 (g) If the applicant is a small-scale provider of last resort and the  
4 proposed change in any schedule will result in an increase in annual  
5 gross operating revenue in an amount that does not exceed \$50,000  
6 or 10 percent of the applicant's annual gross operating revenue,  
7 whichever is less:

8 (1) The small-scale provider of last resort may file the  
9 proposed change with the Commission using a letter of advice in  
10 lieu of filing an application if the small-scale provider of last resort:

11 (I) Includes with the letter of advice a certification by the  
12 attorney for the small-scale provider of last resort or an affidavit by  
13 an authorized representative of the small-scale provider of last resort  
14 that to the best of the signatory's knowledge, information and belief,  
15 formed after a reasonable inquiry, the proposed change in schedule  
16 does not change any rate or result in an increase in the annual gross  
17 operating revenue of the small-scale provider of last resort in an  
18 amount that exceeds \$50,000 or 10 percent, whichever is less;

19 (II) Demonstrates that the proposed change in schedule is  
20 required by or directly related to a regulation or order of the Federal  
21 Communications Commission; and

22 (III) Except as otherwise provided in subsection 2, files  
23 the letter of advice not later than 5 years after the Commission has  
24 issued a final order on a general rate application filed by the  
25 applicant in accordance with subsection 3 of NRS 704.110; and

26 (2) The Commission shall determine whether it should  
27 dispense with a hearing regarding the proposed change.

28 ➔ Not later than 10 business days after the filing of a letter of  
29 advice pursuant to subparagraph (1), the Regulatory Operations  
30 Staff of the Commission or any other interested party may file with  
31 the Commission a request that the Commission order an applicant to  
32 file a general rate application in accordance with subsection 3 of  
33 NRS 704.110. The Commission may hold a hearing to consider such  
34 a request.

35 (h) In making the determination pursuant to paragraph (f) or (g),  
36 the Commission shall first consider all timely written protests, any  
37 presentation that the Regulatory Operations Staff of the Commission  
38 may desire to present, the application of the public utility and any  
39 other matters deemed relevant by the Commission.

40 2. An applicant that is a small-scale provider of last resort may  
41 submit to the Commission a written request for a waiver of the  
42 5-year period specified in sub-subparagraph (III) of subparagraph  
43 (1) of paragraph (g) of subsection 1. The Commission shall, not later  
44 than 90 days after receipt of such a request, issue an order approving  
45 or denying the request. The Commission may approve the request if



1 the applicant provides proof satisfactory to the Commission that the  
2 applicant is not earning more than the rate of return authorized by  
3 the Commission and that it is in the public interest for the  
4 Commission to grant the request for a waiver. The Commission  
5 shall not approve a request for a waiver if the request is submitted  
6 later than 7 years after the issuance by the Commission of a final  
7 order on a general rate application filed by the applicant in  
8 accordance with subsection 3 of NRS 704.110. If the Commission  
9 approves a request for a waiver submitted pursuant to this  
10 subsection, the applicant shall file the letter of advice pursuant to  
11 subparagraph (1) of paragraph (g) of subsection 1 not earlier than  
12 120 days after the date on which the applicant submitted the request  
13 for a waiver pursuant to this subsection, unless the order issued by  
14 the Commission approving the request for a waiver specifies a  
15 different period for the filing of the letter of advice.

16 3. As used in this section, "electric utility" has the meaning  
17 ascribed to it in NRS 704.187.

18 **Sec. 3.** NRS 704.110 is hereby amended to read as follows:

19 704.110 Except as otherwise provided in NRS 704.075 and  
20 704.68861 to 704.68887, inclusive, *and section 1 of this act*, or as  
21 may otherwise be provided by the Commission pursuant to NRS  
22 704.095 or 704.097:

23 1. If a public utility files with the Commission an application to  
24 make changes in any schedule, including, without limitation,  
25 changes that will result in a discontinuance, modification or  
26 restriction of service, the Commission shall investigate the propriety  
27 of the proposed changes to determine whether to approve or  
28 disapprove the proposed changes. If an electric utility files such an  
29 application and the application is a general rate application or an  
30 annual deferred energy accounting adjustment application, the  
31 Consumer's Advocate shall be deemed a party of record.

32 2. Except as otherwise provided in subsection 3, if a public  
33 utility files with the Commission an application to make changes in  
34 any schedule, the Commission shall, not later than 210 days after the  
35 date on which the application is filed, issue a written order  
36 approving or disapproving, in whole or in part, the proposed  
37 changes.

38 3. If a public utility files with the Commission a general rate  
39 application, the public utility shall submit with its application a  
40 statement showing the recorded results of revenues, expenses,  
41 investments and costs of capital for its most recent 12 months for  
42 which data were available when the application was prepared.  
43 Except as otherwise provided in subsection 4, in determining  
44 whether to approve or disapprove any increased rates, the  
45 Commission shall consider evidence in support of the increased





1 rates based upon actual recorded results of operations for the same  
2 12 months, adjusted for increased revenues, any increased  
3 investment in facilities, increased expenses for depreciation, certain  
4 other operating expenses as approved by the Commission and  
5 changes in the costs of securities which are known and are  
6 measurable with reasonable accuracy at the time of filing and which  
7 will become effective within 6 months after the last month of those  
8 12 months, but the public utility shall not place into effect any  
9 increased rates until the changes have been experienced and  
10 certified by the public utility to the Commission and the  
11 Commission has approved the increased rates. The Commission  
12 shall also consider evidence supporting expenses for depreciation,  
13 calculated on an annual basis, applicable to major components of the  
14 public utility's plant placed into service during the recorded test  
15 period or the period for certification as set forth in the application.  
16 Adjustments to revenues, operating expenses and costs of securities  
17 must be calculated on an annual basis. Within 90 days after the date  
18 on which the certification required by this subsection is filed with  
19 the Commission, or within the period set forth in subsection 2,  
20 whichever time is longer, the Commission shall make such order in  
21 reference to the increased rates as is required by this chapter. The  
22 following public utilities shall each file a general rate application  
23 pursuant to this subsection based on the following schedule:

24 (a) An electric utility that primarily serves less densely  
25 populated counties shall file a general rate application not later than  
26 5 p.m. on or before the first Monday in June 2010, and at least once  
27 every 36 months thereafter.

28 (b) An electric utility that primarily serves densely populated  
29 counties shall file a general rate application not later than 5 p.m. on  
30 or before the first Monday in June 2011, and at least once every 36  
31 months thereafter.

32 (c) A public utility that furnishes water for municipal, industrial  
33 or domestic purposes or services for the disposal of sewage, or both,  
34 which had an annual gross operating revenue of \$2,000,000 or more  
35 for at least 1 year during the immediately preceding 3 years and  
36 which had not filed a general rate application with the Commission  
37 on or after July 1, 2005, shall file a general rate application on or  
38 before June 30, 2008, and at least once every 36 months thereafter  
39 unless waived by the Commission pursuant to standards adopted by  
40 regulation of the Commission. If a public utility furnishes both  
41 water and services for the disposal of sewage, its annual gross  
42 operating revenue for each service must be considered separately for  
43 determining whether the public utility meets the requirements of this  
44 paragraph for either service.



1 (d) A public utility that furnishes water for municipal, industrial  
2 or domestic purposes or services for the disposal of sewage, or both,  
3 which had an annual gross operating revenue of \$2,000,000 or more  
4 for at least 1 year during the immediately preceding 3 years and  
5 which had filed a general rate application with the Commission on  
6 or after July 1, 2005, shall file a general rate application on or before  
7 June 30, 2009, and at least once every 36 months thereafter unless  
8 waived by the Commission pursuant to standards adopted by  
9 regulation of the Commission. If a public utility furnishes both  
10 water and services for the disposal of sewage, its annual gross  
11 operating revenue for each service must be considered separately for  
12 determining whether the public utility meets the requirements of this  
13 paragraph for either service.

14 ➤ The Commission shall adopt regulations setting forth standards  
15 for waivers pursuant to paragraphs (c) and (d) and for including the  
16 costs incurred by the public utility in preparing and presenting the  
17 general rate application before the effective date of any change in  
18 rates.

19 4. In addition to submitting the statement required pursuant to  
20 subsection 3, a public utility may submit with its general rate  
21 application a statement showing the effects, on an annualized basis,  
22 of all expected changes in circumstances. If such a statement is  
23 filed, it must include all increases and decreases in revenue and  
24 expenses which may occur within 210 days after the date on which  
25 its general rate application is filed with the Commission if such  
26 expected changes in circumstances are reasonably known and are  
27 measurable with reasonable accuracy. If a public utility submits  
28 such a statement, the public utility has the burden of proving that the  
29 expected changes in circumstances set forth in the statement are  
30 reasonably known and are measurable with reasonable accuracy.  
31 The Commission shall consider expected changes in circumstances  
32 to be reasonably known and measurable with reasonable accuracy if  
33 the expected changes in circumstances consist of specific and  
34 identifiable events or programs rather than general trends, patterns  
35 or developments, have an objectively high probability of occurring  
36 to the degree, in the amount and at the time expected, are primarily  
37 measurable by recorded or verifiable revenues and expenses and are  
38 easily and objectively calculated, with the calculation of the  
39 expected changes relying only secondarily on estimates, forecasts,  
40 projections or budgets. If the Commission determines that the public  
41 utility has met its burden of proof:

42 (a) The Commission shall consider the statement submitted  
43 pursuant to this subsection and evidence relevant to the statement,  
44 including all reasonable projected or forecasted offsets in revenue  
45 and expenses that are directly attributable to or associated with the



1 expected changes in circumstances under consideration, in addition  
2 to the statement required pursuant to subsection 3 as evidence in  
3 establishing just and reasonable rates for the public utility; and

4 (b) The public utility is not required to file with the Commission  
5 the certification that would otherwise be required pursuant to  
6 subsection 3.

7 5. If a public utility files with the Commission an application to  
8 make changes in any schedule and the Commission does not issue a  
9 final written order regarding the proposed changes within the time  
10 required by this section, the proposed changes shall be deemed to be  
11 approved by the Commission.

12 6. If a public utility files with the Commission a general rate  
13 application, the public utility shall not file with the Commission  
14 another general rate application until all pending general rate  
15 applications filed by that public utility have been decided by the  
16 Commission unless, after application and hearing, the Commission  
17 determines that a substantial financial emergency would exist if the  
18 public utility is not permitted to file another general rate application  
19 sooner. The provisions of this subsection do not prohibit the public  
20 utility from filing with the Commission, while a general rate  
21 application is pending, an application to recover the increased cost  
22 of purchased fuel, purchased power, or natural gas purchased for  
23 resale pursuant to subsection 7, a quarterly rate adjustment pursuant  
24 to subsection 8 or 10, any information relating to deferred  
25 accounting requirements pursuant to NRS 704.185 or an annual  
26 deferred energy accounting adjustment application pursuant to NRS  
27 704.187, if the public utility is otherwise authorized to so file by  
28 those provisions.

29 7. A public utility may file an application to recover the  
30 increased cost of purchased fuel, purchased power, or natural gas  
31 purchased for resale once every 30 days. The provisions of this  
32 subsection do not apply to:

33 (a) An electric utility which is required to adjust its rates on a  
34 quarterly basis pursuant to subsection 10; or

35 (b) A public utility which purchases natural gas for resale and  
36 which adjusts its rates on a quarterly basis pursuant to subsection 8.

37 8. A public utility which purchases natural gas for resale must  
38 request approval from the Commission to adjust its rates on a  
39 quarterly basis between annual rate adjustment applications based  
40 on changes in the public utility's recorded costs of natural gas  
41 purchased for resale. A public utility which purchases natural gas  
42 for resale and which adjusts its rates on a quarterly basis may  
43 request approval from the Commission to make quarterly  
44 adjustments to its deferred energy accounting adjustment. The  
45 Commission shall approve or deny such a request not later than 120



1 days after the application is filed with the Commission. The  
2 Commission may approve the request if the Commission finds that  
3 approval of the request is in the public interest. If the Commission  
4 approves a request to make quarterly adjustments to the deferred  
5 energy accounting adjustment of a public utility pursuant to this  
6 subsection, any quarterly adjustment to the deferred energy  
7 accounting adjustment must not exceed 2.5 cents per therm of  
8 natural gas. If the balance of the public utility's deferred account  
9 varies by less than 5 percent from the public utility's annual  
10 recorded costs of natural gas which are used to calculate quarterly  
11 rate adjustments, the deferred energy accounting adjustment must be  
12 set to zero cents per therm of natural gas.

13 9. If the Commission approves a request to make any rate  
14 adjustments on a quarterly basis pursuant to subsection 8:

15 (a) The public utility shall file written notice with the  
16 Commission before the public utility makes a quarterly rate  
17 adjustment. A quarterly rate adjustment is not subject to the  
18 requirements for notice and a hearing pursuant to NRS 703.320 or  
19 the requirements for a consumer session pursuant to subsection 1 of  
20 NRS 704.069.

21 (b) The public utility shall provide written notice of each  
22 quarterly rate adjustment to its customers by including the written  
23 notice with a customer's regular monthly bill. The public utility  
24 shall begin providing such written notice to its customers not later  
25 than 30 days after the date on which the public utility files its  
26 written notice with the Commission pursuant to paragraph (a). The  
27 written notice that is included with a customer's regular monthly  
28 bill:

29 (1) Must be printed separately on fluorescent-colored paper  
30 and must not be attached to the pages of the bill; and

31 (2) Must include the following:

32 (I) The total amount of the increase or decrease in the  
33 public utility's revenues from the rate adjustment, stated in dollars  
34 and as a percentage;

35 (II) The amount of the monthly increase or decrease in  
36 charges for each class of customer or class of service, stated in  
37 dollars and as a percentage;

38 (III) A statement that customers may send written  
39 comments or protests regarding the rate adjustment to the  
40 Commission;

41 (IV) A statement that the transactions and recorded costs  
42 of natural gas which are the basis for any quarterly rate adjustment  
43 will be reviewed for reasonableness and prudence in the next  
44 proceeding held by the Commission to review the annual rate  
45 adjustment application pursuant to paragraph (d); and



1 (V) Any other information required by the Commission.

2 (c) The public utility shall file an annual rate adjustment  
3 application with the Commission. The annual rate adjustment  
4 application is subject to the requirements for notice and a hearing  
5 pursuant to NRS 703.320 and the requirements for a consumer  
6 session pursuant to subsection 1 of NRS 704.069.

7 (d) The proceeding regarding the annual rate adjustment  
8 application must include a review of each quarterly rate adjustment  
9 and the transactions and recorded costs of natural gas included in  
10 each quarterly filing and the annual rate adjustment application.  
11 There is no presumption of reasonableness or prudence for any  
12 quarterly rate adjustment or for any transactions or recorded costs of  
13 natural gas included in any quarterly rate adjustment or the annual  
14 rate adjustment application, and the public utility has the burden of  
15 proving reasonableness and prudence in the proceeding.

16 (e) The Commission shall not allow the public utility to recover  
17 any recorded costs of natural gas which were the result of any  
18 practice or transaction that was unreasonable or was undertaken,  
19 managed or performed imprudently by the public utility, and the  
20 Commission shall order the public utility to adjust its rates if the  
21 Commission determines that any recorded costs of natural gas  
22 included in any quarterly rate adjustment or the annual rate  
23 adjustment application were not reasonable or prudent.

24 10. An electric utility shall adjust its rates on a quarterly basis  
25 based on changes in the electric utility's recorded costs of purchased  
26 fuel or purchased power. In addition to adjusting its rates on a  
27 quarterly basis, an electric utility may request approval from the  
28 Commission to make quarterly adjustments to its deferred energy  
29 accounting adjustment. The Commission shall approve or deny such  
30 a request not later than 120 days after the application is filed with  
31 the Commission. The Commission may approve the request if the  
32 Commission finds that approval of the request is in the public  
33 interest. If the Commission approves a request to make quarterly  
34 adjustments to the deferred energy accounting adjustment of an  
35 electric utility pursuant to this subsection, any quarterly adjustment  
36 to the deferred energy accounting adjustment must not exceed 0.25  
37 cents per kilowatt-hour of electricity. If the balance of the electric  
38 utility's deferred account varies by less than 5 percent from the  
39 electric utility's annual recorded costs for purchased fuel or  
40 purchased power which are used to calculate quarterly rate  
41 adjustments, the deferred energy accounting adjustment must be set  
42 to zero cents per kilowatt-hour of electricity.

43 11. A quarterly rate adjustment filed pursuant to subsection 10  
44 is subject to the following requirements:



1 (a) The electric utility shall file written notice with the  
2 Commission on or before August 15, 2007, and every quarter  
3 thereafter of the quarterly rate adjustment to be made by the electric  
4 utility for the following quarter. The first quarterly rate adjustment  
5 by the electric utility will take effect on October 1, 2007, and each  
6 subsequent quarterly rate adjustment will take effect every quarter  
7 thereafter. The first quarterly adjustment to a deferred energy  
8 accounting adjustment must be made pursuant to an order issued by  
9 the Commission approving the application of an electric utility to  
10 make quarterly adjustments to its deferred energy accounting  
11 adjustment. A quarterly rate adjustment is not subject to the  
12 requirements for notice and a hearing pursuant to NRS 703.320 or  
13 the requirements for a consumer session pursuant to subsection 1 of  
14 NRS 704.069.

15 (b) The electric utility shall provide written notice of each  
16 quarterly rate adjustment to its customers by including the written  
17 notice with a customer's regular monthly bill. The electric utility  
18 shall begin providing such written notice to its customers not later  
19 than 30 days after the date on which the electric utility files a written  
20 notice with the Commission pursuant to paragraph (a). The written  
21 notice that is included with a customer's regular monthly bill:

22 (1) Must be printed separately on fluorescent-colored paper  
23 and must not be attached to the pages of the bill; and

24 (2) Must include the following:

25 (I) The total amount of the increase or decrease in the  
26 electric utility's revenues from the rate adjustment, stated in dollars  
27 and as a percentage;

28 (II) The amount of the monthly increase or decrease in  
29 charges for each class of customer or class of service, stated in  
30 dollars and as a percentage;

31 (III) A statement that customers may send written  
32 comments or protests regarding the rate adjustment to the  
33 Commission;

34 (IV) A statement that the transactions and recorded costs  
35 of purchased fuel or purchased power which are the basis for any  
36 quarterly rate adjustment will be reviewed for reasonableness and  
37 prudence in the next proceeding held by the Commission to review  
38 the annual deferred energy accounting adjustment application  
39 pursuant to paragraph (d); and

40 (V) Any other information required by the Commission.

41 (c) The electric utility shall file an annual deferred energy  
42 accounting adjustment application pursuant to NRS 704.187 with  
43 the Commission. The annual deferred energy accounting adjustment  
44 application is subject to the requirements for notice and a hearing



1 pursuant to NRS 703.320 and the requirements for a consumer  
2 session pursuant to subsection 1 of NRS 704.069.

3 (d) The proceeding regarding the annual deferred energy  
4 accounting adjustment application must include a review of each  
5 quarterly rate adjustment and the transactions and recorded costs of  
6 purchased fuel and purchased power included in each quarterly  
7 filing and the annual deferred energy accounting adjustment  
8 application. There is no presumption of reasonableness or prudence  
9 for any quarterly rate adjustment or for any transactions or recorded  
10 costs of purchased fuel and purchased power included in any  
11 quarterly rate adjustment or the annual deferred energy accounting  
12 adjustment application, and the electric utility has the burden of  
13 proving reasonableness and prudence in the proceeding.

14 (e) The Commission shall not allow the electric utility to recover  
15 any recorded costs of purchased fuel and purchased power which  
16 were the result of any practice or transaction that was unreasonable  
17 or was undertaken, managed or performed imprudently by the  
18 electric utility, and the Commission shall order the electric utility to  
19 adjust its rates if the Commission determines that any recorded costs  
20 of purchased fuel and purchased power included in any quarterly  
21 rate adjustment or the annual deferred energy accounting adjustment  
22 application were not reasonable or prudent.

23 12. If an electric utility files an annual deferred energy  
24 accounting adjustment application pursuant to subsection 11 and  
25 NRS 704.187 while a general rate application is pending, the  
26 electric utility shall:

27 (a) Submit with its annual deferred energy accounting  
28 adjustment application information relating to the cost of service  
29 and rate design; and

30 (b) Supplement its general rate application with the same  
31 information, if such information was not submitted with the general  
32 rate application.

33 13. A utility facility identified in a 3-year plan submitted  
34 pursuant to NRS 704.741 and accepted by the Commission for  
35 acquisition or construction pursuant to NRS 704.751 and the  
36 regulations adopted pursuant thereto, or the retirement or  
37 elimination of a utility facility identified in an emissions reduction  
38 and capacity replacement plan submitted pursuant to NRS 704.7316  
39 and accepted by the Commission for retirement or elimination  
40 pursuant to NRS 704.751 and the regulations adopted pursuant  
41 thereto, shall be deemed to be a prudent investment. The utility may  
42 recover all just and reasonable costs of planning and constructing, or  
43 retiring or eliminating, as applicable, such a facility. For the  
44 purposes of this subsection, a plan or an amendment to a plan shall  
45 be deemed to be accepted by the Commission only as to that portion



1 of the plan or amendment accepted as filed or modified with the  
2 consent of the utility pursuant to NRS 704.751.

3 14. In regard to any rate or schedule approved or disapproved  
4 pursuant to this section, the Commission may, after a hearing:

5 (a) Upon the request of the utility, approve a new rate but delay  
6 the implementation of that new rate:

7 (1) Until a date determined by the Commission; and

8 (2) Under conditions as determined by the Commission,  
9 including, without limitation, a requirement that interest charges be  
10 included in the collection of the new rate; and

11 (b) Authorize a utility to implement a reduced rate for low-  
12 income residential customers.

13 15. The Commission may, upon request and for good cause  
14 shown, permit a public utility which purchases natural gas for resale  
15 or an electric utility to make a quarterly adjustment to its deferred  
16 energy accounting adjustment in excess of the maximum allowable  
17 adjustment pursuant to subsection 8 or 10.

18 16. A public utility which purchases natural gas for resale or an  
19 electric utility that makes quarterly adjustments to its deferred  
20 energy accounting adjustment pursuant to subsection 8 or 10 may  
21 submit to the Commission for approval an application to discontinue  
22 making quarterly adjustments to its deferred energy accounting  
23 adjustment and to subsequently make annual adjustments to its  
24 deferred energy accounting adjustment. The Commission may  
25 approve an application submitted pursuant to this subsection if the  
26 Commission finds that approval of the application is in the public  
27 interest.

28 17. As used in this section:

29 (a) "Deferred energy accounting adjustment" means the rate of a  
30 public utility which purchases natural gas for resale or an electric  
31 utility that is calculated by dividing the balance of a deferred  
32 account during a specified period by the total therms or kilowatt-  
33 hours which have been sold in the geographical area to which the  
34 rate applies during the specified period ~~§~~, *not including kilowatt-  
35 hours sold pursuant to an expanded solar access program  
36 established pursuant to section 1 of this act.*

37 (b) "Electric utility" has the meaning ascribed to it in  
38 NRS 704.187.

39 (c) "Electric utility that primarily serves densely populated  
40 counties" means an electric utility that, with regard to the provision  
41 of electric service, derives more of its annual gross operating  
42 revenue in this State from customers located in counties whose  
43 population is 700,000 or more than it does from customers located  
44 in counties whose population is less than 700,000.





1 (d) "Electric utility that primarily serves less densely populated  
2 counties" means an electric utility that, with regard to the provision  
3 of electric service, derives more of its annual gross operating  
4 revenue in this State from customers located in counties whose  
5 population is less than 700,000 than it does from customers located  
6 in counties whose population is 700,000 or more.

③







