

The meeting was held at 1:35 p.m. on Tuesday, December 12, 2017 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4412, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairwoman	Puoy K. Premsrirut
Commissioner	Marilyn Kirkpatrick
Commissioner	Steve Sisolak
Commissioner	Cody T. Winterton
Commissioner	John F. Marz

COMMISSIONER VIA TELECONFERENCE

Vice Chairwoman	Kara J. Kelley
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COMMISSIONER NOT IN ATTENDANCE

Commissioner	Dan H. Stewart
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DEPUTY ATTORNEY(S) GENERAL

Special Counsel, Attorney General	Jennifer Crandell
Special Counsel, Attorney General	Christine Guerci

COMMISSION STAFF IN ATTENDANCE

Executive Director	Jayne Harkins, P.E.
Deputy Executive Director	Eric Witkoski
Chief, Finance and Administration	Douglas N. Beatty
Assistant Director of Energy Services	Gail A. Bates
Assistant Director of Engineering and Operations	Robert D. Reese
Hydropower Program Manager	Craig N. Pyper
Assistant Hydropower Program Manager	Lisa Ray
Manager, Natural Resources Group	Angela K. Slaughter
Natural Resource Analyst	Peggy Roefer
Natural Resource Analyst	Warren Turkett, Ph.D
Senior Accountant	Gail L. Benton
Senior Energy Accountant	Stephanie Salleroli
Senior Energy Accountant	Richard M. Sanders
Assistant Director of Energy Information Systems	Kaleb Hall
Office Manager	Gina L. Goodman
Administrative Assistant IV	Kathryn Aguilar
Administrative Assistant IV	Kira Bakke

OTHERS PRESENT; REPRESENTING

Overton Power Dist. No. 5	MeLisa Garcia
Overton Power Dist. No. 5	Scott Fullman
Self	Sara Price
Southern Nevada Water Authority	Scott Krantz

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF DECEMBER 12, 2017**

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The Colorado River Commission meeting was called to order by Chairwoman Premsrirut at 1:35 p.m. followed by the pledge of allegiance.

A. Conformance to Open Meeting Law.

Executive Director Jayne Harkins, P.E., confirmed that the meeting was posted in compliance with the Open Meeting Law.

B. Comments and questions from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.)

Chairwoman Premsrirut asked if there were any comments from the public. There were none.

C. For Possible Action: Approval of minutes of the September 12, 2017 meeting.

Commissioner Sisolak moved for approval of the minutes with changes including edits on page four and five, changing “the minute” to refer to Minute 323. The motion was seconded by Commissioner Winterton and approved by those present

D. For Information Only: Update on Federal Salt Lake City Area Integrated Projects Contract Negotiations.

Special Counsel Christine Guerri provided a background presentation on the Federal Salt Lake City Area Integrated Projects (SLCAIP) Contract Negotiations as followed:

- SLCAIP Information
- SLCAIP Allocations
- SLCAIP Hydropower
- Federal SLCAIP Contract
- State SLCAIP Contracts

A copy of the report was provided and made a part of the minutes. (See Attachment A)

E. For Possible Action: Consideration and possible action regarding initiating the process to revise the Commission’s Regulations applicable to power resource allocations and reallocations.

Ms. Jayne Harkins explained that NAC 538.455 Procedures for the Reallocation of Power was added to the Commission’s regulations in 2014 and provides a procedure for reallocating power when a contractor has lost or surrenders their allocation. Staff asked to expand this procedure so that it can be used for all

allocation and reallocation proceedings. Currently, there is no process for an allocation proceeding in the regulations. This revision would provide a mechanism that encompasses all resource allocations and reallocations.

Staff recommended that the process be more transparent and open to the public, hence requiring an additional public meeting at the start of the process while criteria are being developed. The revisions to the regulation further clarify that a draft order can be revised by Staff prior to presentation to the Commission in response to comments received from applicants. Moreover, the notice of hearing along with the proposed draft order must be provided to not only the applicants but the Commission's meeting service list as least 20 days prior to the date set for the hearing.

If the Commission approved initiating the process:

1. The proposed revised regulation would be set for discussion at a public Workshop;
2. After the Workshop, the proposed revised regulation would be sent to the Legislative Counsel for review;
3. Once Legislative Counsel has returned the proposed revised regulation, the proposed revised regulation comes back to the Commission for an Adoption Hearing; and
4. After the Adoption Hearing, the adopted regulation is submitted to the Legislative Commission for approval prior to filing with the Secretary of State.

Changes to the regulation revisions can be made based on the comments at the Workshop, the review by Legislative Counsel, or at the Adoption Hearing by the Commission.

Commissioner Winterton moved for approval of revising the Commission's Regulations applicable to power resource allocations and reallocations. The motion was seconded by Commissioner Marz and approved by unanimous vote.

- F. *For Possible Action:* Consideration and possible action regarding initiating the process to repeal the following regulations:**
- 1. NAC 538.333 Allocation of Schedule D Power, Commission to Develop Criteria**
 - 2. NAC 538.336 Allocation of Schedule D Power, Application Process**
 - 3. NAC 538.680 Division of Resources into Pools**
 - 4. NAC 538.690 Pool 1: Applicable Resource; allocation**
 - 5. NAC 538.700 Pool 2: Applicable Resource; allocation**
 - 6. NAC 538.730 Pool 3: Applicable Resource; allocation**
 - 7. NAC 538.740 Pool 3: Sharing Increase or decrease in available power**

Ms. Jayne Harkins explained that the reasoning for the repeal of the following regulations:

NAC 538.333 and NAC 538.336 were added to the Commission's regulations in 2014 to provide a procedure for allocating Schedule D Hoover power to new allottees. The Schedule D Hoover allocations have been completed and contracts executed. The revisions to NAC 538.455 will provide a process for any reallocations or allocations of additional Schedule D that becomes available. NAC 538.333 and NAC 538.336 are no longer needed and if left in the regulations may cause confusion. Staff is recommending that they be repealed.

NAC 538.680, NAC 538.690, and NAC 538.700 were added to the Commission's regulations in 1985, NAC 538.730 was added in 1986 and NAC 538.740 was added in 1987 as a way of documenting and publishing the allocations of the Commission's hydropower resources to the public. Today, with the length of time needed to go through the regulatory process those numbers are often incorrect. The public can access correct information immediately from the Commission's website or by calling the Commission and requesting it. Staff recommended that these regulations be repealed.

If the Commission approves initiating the process, it will follow the procedure outlined in Item E.

Commissioner Kirkpatrick moved for initiating the process to repeal the above regulations with the requirement that they be made public. The motion was seconded by Commissioner Marz and was approved unanimously.

G. *For Possible Action:* Consideration of and possible action to ratify the Colorado River Commission of Nevada's intervention by letter dated November 13, 2017 to the Federal Energy Regulatory Commission (FERC), supporting Nevada Power Company's filing of an Ancillary Services Agreement (ASA) between the Commission and Nevada Power Company dba NV Energy for the provision by NV Energy of certain control area ancillary services.

Assistant Director of Energy Services, Gail Bates explained that on August 8, 2017, the Commission approved an ancillary service agreement (ASA) between the Colorado River Commission of Nevada and Nevada Power Company dba NV Energy (NV Energy) for the provision of certain control area services by NV Energy to the Commission. The Commission requested that NV Energy provide these services, which are needed by the Commission to serve the electrical loads of the Black Mountain Industrial Complex and Basic Water Company. The rates in the ASA incorporate by reference, the rates that are contained in NV Energy's Open Access Transmission Tariff (OATT) which are approved by the FERC.

NV Energy initially filed the ASA with FERC at the end of July 2017, and amended that filing on August 22, 2017. On September 22, 2017, FERC issued a letter requesting additional information. On October 24, 2017, NV Energy filed a letter responding to FERC.

At NV Energy's request, the Commission filed a letter with FERC on November 13, 2017 supporting the ASA. In the letter, the Commission also requested leave to intervene in Docket Nos ER17-2197 in order to participate in any future regulatory proceedings concerning the ASA. The Commission had a unique interest in the proceeding that could not be represented by any other Party.

On November 27, 2017, FERC accepted for filing the ASA and closed its docket.

Staff recommended that the Commission ratify the letter filed with FERC on November 13, 2017 including the Commission's request to intervene in Docket Nos. ER17-2197.

Vice Chairwoman Kelley moved to approve ratifying the Colorado River Commission of Nevada's intervention by letter to the Federal Energy Regulatory Commission supporting Nevada Power Company's filing of an Ancillary Services Agreement between the Commission and Nevada Power Company for the provision by Nevada Power Company of certain control area services. The motion was seconded by Commissioner Kirkpatrick and was approved unanimously.

H. *For Possible Action:* Consideration and possible action regarding the participation of the Commission in the Public Utilities Commission of Nevada's (PUCN) Energy Choice Initiative Investigation and Workshop Docket.

Deputy Executive Director Eric Witkoski explained that on November 8, 2016, State Question No. 3 was voted on and passed. The question stated: "Shall Article 1 of the Nevada Constitution be amended to require the Legislature to provide by law the establishment of an open, competitive retail electric energy market that prohibits the granting of monopolies and exclusive franchises for the generation of electricity?"

The Explanation and Digest of the Question states the Legislature would be required to pass laws by July 1, 2023 implementing retail competition.

On April 3, 2017, Governor Sandoval formed the Energy Choice Committee to consider the issues regarding Energy Choice and what actions would be necessary for its implementation. The Committee has held several meetings and through a letter dated September 27, 2017, the Energy Committee requested the PUCN to investigate five areas set forth in the letter.

On October 11, 2017, in response to the Governor's Energy Choice Committee, the Public Utilities Commission (PUCN) issued a "Notice of Energy Choice Initiative Investigation and Workshop" on October 11, 2017 and stated initial Comments on the questions issued could be filed on Friday, December 8, 2017 and Reply Comments on December 29, 2017.

If approved, Staff's plan is to file comments by the end of the day on December 13, 2017, and, if approved, file reply comments following Staff's review of all the filings in the PUCN docket, on or before December 29, 2017, as well as further participation as necessary.

Commissioner Kirkpatrick moved for approval of participation by the Commission in the Public Utilities Commission of Nevada's (PUCN) Energy Choice Initiative Investigation and Workshop Docket. The motion was seconded by Commissioner Winterton and was unanimously approved.

I. For Possible Action: Consideration of and possible action to adjust the amount of collateral the Commission's retail industrial customers are required to post for Calendar Year 2018 pursuant to their contracts with the Commission.

Ms. Gail Bates explained that NRS 538.181(2) requires that certain of Commission's power customers, provide collateral "in such sum and in such manner as the commission may require, conditioned on the full and faithful performance" of their power contracts. NAC 538.744 requires "during October of each operating year, and at any other time it deems necessary, the Commission will conduct a review to determine creditworthiness of each of its contractors." Based on that review, the Commission establishes the amount and prescribes the manner in which the customer is required to furnish collateral pursuant to its contracts with the Commission.

To determine the collateral required for each industrial customer for Calendar Year 2018, Staff calculated 25 percent of that customer's Adjusted Gross Annual Purchases during the test period, October 1, 2016 through September 30, 2017 reflecting actual purchases during the test period with adjustments for prior year reconciliations, and adjustments, including interest to cash collateral, and each customer's share of projected transmission and O&M costs for federal fiscal year 2018. Staff also reviewed each customer's payment history and credit rating.

Based on its evaluation of this data, Staff has concluded the creditworthiness of these customers warrants a recommendation that the Commission adjust and set the respective amount of their required collateral as reflected below:

	Adjusted Gross Annual Purchases April 1, 2016 Through March 31, 2017	Proposed Collateral 25% of Previous Column	Present Collateral	Change from Present Collateral
Basic Water Company	\$826,803.63	\$206,700.91	\$180,079.41	\$26,621.50
Lhoist North America	\$92,389.11	\$23,097.28	\$18,064.08	\$5,033.20
Tronox, LLC	\$2,034,521.75	\$508,630.44	\$508,162.12	\$468.32
Olin Chlor Alkaline Products	\$392,927.11	\$98,231.78	\$115,011.07	(\$16,779.29)
Titanium Metals Corporation	\$9,458,239.19	\$2,364,559.80	\$2,133,148.92	\$231,410.88

Commissioner Sisolak moved for approval to adjust the amount of collateral the Commission's retail industrial customers are required to post for Calendar Year 2018 pursuant to their contracts with the Commission. The motion was seconded by Commissioner Kirkpatrick and was approved unanimously.

J. *For Possible Action:* Consideration and possible action to approve an Amendment No. 1 to a contract for services of independent contractor among Energized Electric System Safety Training and Compliance Services (ESCI) and the Commission.

Assistant Director of Engineering and Operations Robert Reese explained that the Commission owns and operates high-voltage transmission and distribution facilities in southern Nevada. The Commission employs a staff of managers, engineers, technicians, and electricians and desires to ensure these employees are trained in the hazards associated with the operation and maintenance of the energized electric system and on proper mitigation measures, procedures, and tools. The Commission's contract for energized electric system safety training and compliance services that meet the requirements established by OSHA 29 CFR 1910 will expire on December 31, 2017.

The Commission has utilized the services of ESCI to:

1. Develop and implement a safety and wellness training program. The program is based upon the requirements of OSHA 29 CFR 1910 and the latest edition of the American Public Power Association's Safety Manual. The program includes such topics as first aid, CPR, equipotential grounding, hot stick use and care, electrical safety, confined space entry, and hazardous material communication. ESCI will implement the program by providing monthly training sessions at the Commission's Newport Substation office complex.
2. Develop and implement a high-voltage switchman certification program. The program is based upon the Commission's Switching and Clearance Procedures, the American Public Power Association's Safety Manual, and the Western Area Power Administration's Power System Switching Procedure. ESCI will provide classroom instruction, hands-on practice, and a written exam in order to ensure the Commission's personnel are properly qualified and trained to carryout high-voltage switching.
3. Provide commercial driver license (CDL) training and CDL records maintenance. ESCI will provide training to allow the Commission's operation and maintenance personnel to receive a CDL issued by the State of Nevada. ESCI will provide follow-up services including a drug-testing program that meets the requirements of State of Nevada Department of Motor Vehicles.

4. Provide safety equipment and materials as requested up to \$10,000 per year as identified and directed by the Commission. Equipment may include automated external defibrillators (AEDs) as required for electrical workers by OSHA and outdoor gas cylinder storage cages.

Staff recommended that the contract with ESCI be extended for an additional two-year term without increasing the maximum dollar expenditure under the contract.

Commissioner Kirkpatrick moved to approve Amendment No. 1 to a contract for services of independent contractor among Energized Electric System Safety Training and Compliance Services (ESCI) and the Commission. The motion was seconded by Commissioner Winterton and passed unanimously.

K. For Information Only: Status update on the hydrologic conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

Natural Resource Analyst Warren Turkett gave a status update on the hydrologic conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

- Unregulated Inflow and Storage as of December 11, 2017
- Precipitation
- Water Use in Southern Nevada January - October 2017
- Decree Accounting Report
- December Reservoir Conditions (Summary)

A copy of the report was attached and made a part of the minutes. (See Attachment B)

L. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

Chairwoman Premsrirut asked if there were any comments from the public. There were none.

M. Comments and Questions from Commission Members

Chairwoman Premsrirut asked if there were any comments or questions from the Commission members. She encouraged the members and public to attend the Colorado River Water Users Association conference being held December 13-15, 2017.

There were no other comments.

N. Selection of next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, January 9, 2018, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.

O. Adjournment.

The meeting adjourned at 2:39 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

Puoy K. Premsrirut, Chairwoman