



April 24, 2014

Via e-mail to: info@crchoverallocation.com

Jayne Harkins, Executive Director
Colorado River Commission of Nevada
555 E. Washington St.
Suite 3100
Las Vegas, Nevada 89101

RE: Proposed Regulations; LCB File No. R148-13

Dear Ms. Harkins:

By this letter Nevada Power Company, d/b/a NV Energy, submits its written comments on the proposed regulations that accompanied the Colorado River Commission of Nevada's Workshop Notice and Agenda issued April 4, 2014. The proposed regulations have been designated as LCB File No. R148-13.

Please advise if you have any questions regarding this submittal.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Douglas Brooks".

Douglas Brooks
Assistant General Counsel
dbrooks@nvenergy.com
702-402-5697

**NEVADA POWER COMPANY'S COMMENTS REGARDING
COLORADO RIVER COMMISSION OF NEVADA'S PROPOSED REGULATIONS
LCB FILED NO. R148-13
SUBMITTED APRIL 24, 2014**

1. SECTION 32 – ALLOCATION OF BENEFITS OF SCHEDULE A POWER

Section 32(4) of the proposed regulations would amend NAC 538.540 to require Nevada Power Company (“Nevada Power”) to pass through to the residential class of ratepayers “the full benefits” of the power it receives from Schedules A and B of Hoover power. The current regulation requires Nevada Power to pass the benefits of Schedule B power through to residential customers, as does the contract between the Colorado River Commission of Nevada (“CRC”) and Nevada Power for the sale of Schedule B power, and the Public Utilities Commission of Nevada (“PUCN”) has implemented that in general rate cases consistent with stipulations presented to it by Nevada Power and the CRC.

As a general principle, Nevada Power does not believe that it is appropriate for the CRC to use its regulations to determine how Nevada Power’s rates should be set. The PUCN has been given exclusive jurisdiction by the Nevada Legislature over Nevada Power’s retail rates. The CRC should not attempt to engage in rate setting through its regulations. The rate setting process involves the balancing of many interests, and the allocation of an additional 100 MW of Hoover power to the benefit one rate class would disadvantage other rate classes and make Nevada Power’s rates for other rate classes less competitive. The only appropriate place under Nevada law for determining how to best balance all of these interests is before the PUCN. The CRC has participated in many PUCN proceedings regarding Nevada Power’s rates and has been an effective advocate for its interests there. It should continue to use its interventions before the PUCN in Nevada Power dockets to influence rate setting for Nevada Power.

Nevada Power notes that the proposed regulation do not attempt to impose the same requirements upon other utilities that may take Schedule A power.

In addition, Nevada Power is unclear about the meaning of the term “full benefits” as it is used in subsection 4. A definition of this phrase is essential for its proper interpretation and application, should this section be included in the adopted regulations. Furthermore, if the use of “full benefits” is intended to mandate how the PUCN is to allocate costs between Nevada Power and its affiliate Sierra Pacific Power, our objections against the CRC’s regulations attempting to dictate PUCN ratemaking decisions through its own regulations apply here as well. Similarly, to the extent subsection 1 of this section would attempt to regulate the joint dispatch of Nevada Power’ generation resources with its affiliate Sierra Pacific Power, it would interfere with the PUCN’s exclusive jurisdiction over the rates, charges and practices of Nevada Power.

2. SECTION 16(2)(F) – MANDATED CHARGES FOR SCHEDULE D CUSTOMERS

Section 16(2)(f) of the proposed regulations would add a new subsection that appears to exempt Schedule D customers from having to pay the mandated charges listed in NRS 704.787(3). The plain language of that subsection of the statutes requires customers of Nevada Power who take

power under Hoover Schedule D to pay the enumerated charges. However, section 16(2)(f) of the proposed regulations appears to state that Schedule D customers who receive that power at delivery points included in an existing Distribution Only Service agreement only have to pay the tariff rates and charges pursuant to NRS 704.787(4)(b). No mention is made of the charges listed in subsection (3). Nevada Power believes that this represents a misreading of NRS 704.787(3) and should be corrected.

3. SECTION 39 – NEVADA POWER COMPANY’S CORPORATE NAME

Section 39 of the proposed regulations restates the capacity and energy allocations for Schedule A and B power. In this revised list Nevada Power is referred to as NV Energy, Inc. This is incorrect. The proper name for the entity receiving the Hoover power is Nevada Power Company. Contracts with Nevada Power continue to be with “Nevada Power Company”. NV Energy, Inc. is the holding company that directly owns Nevada Power, and holds no contractual rights to Hoover power. Nevada Power uses “NV Energy” as the name under which it does business with the public, but it is not its legal corporate name.