



## SOUTHERN NEVADA WATER AUTHORITY

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April 24, 2014

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

SUBJECT: SNWA COMMENTS ON PROPOSED CHANGES TO NEVADA ADMINISTRATIVE CODE CHAPTER 538

Dear Ms. Harkins:

Southern Nevada Water Authority ("SNWA") respectfully submits the following comments on the proposed changes to certain regulations affecting the Colorado River Commission of Nevada ("CRC"). These proposed changes were the subject of a public workshop that took place on Monday, April 21, 2014.

With regard to Section 32, subsection 1, SNWA suggests that CRC remove the requirement that a Contractor purchasing power from the Boulder Canyon Project, Parker-Davis Project, or Salt Lake City Area Integrated Projects obtain prior approval of the Commission to change the "point of use" of that power. This requirement seems to be overly restrictive and could impose an administrative burden on certain customers, like SNWA and its member agencies, which have numerous points of use distributed across multiple metering locations. The decision to use hydropower at one or more of these locations should not trigger the need for a Contractor to seek prior Commission approval. SNWA would not object to CRC requiring that Contractors seek approval for a change that would move the "point of use" outside the current balancing authority or outside the State of Nevada.

With regard to Section 16, subsection 1f, SNWA supports the approach taken by CRC clarifying that local government agencies currently receiving electric services from CRC pursuant to Nevada Power's Distribution Only Service (DOS) tariff would not be required to pay the fees set forth in NRS 704.787 (2), (3), and (4)(b) if the customer agency has already paid such fees. SNWA and certain of its member agencies receive electric services, including Hoover power, from CRC to serve water and wastewater pumping loads. In order to utilize CRC's electric services, these agencies have been required, under the DOS tariff, to pay "exit fees" to Nevada Power, which have run into the millions of dollars. The exit fees paid by SNWA and its member agencies were intended to insulate Nevada Power Company and its customers from any economic harm resulting from SNWA's decision to purchase energy from an alternative provider. The exit fees were calculated by Nevada Power Company and approved by the Public Utilities Commission of Nevada.

The DOS Agreements between Nevada Power Company, CRC, SNWA, and each of the members identify specific metered locations where SNWA and its members can deliver energy purchased from an alternative source. To the extent SNWA or its member agencies receive an allocation of Hoover D power and wish to deliver that power to locations identified in an existing DOS Agreement, it would be inappropriate to impose additional fees and charges on those customers.

Sincerely,

Scott P. Krantz  
Director, Energy Management

SPK:GAB:cc

### SNWA MEMBER AGENCIES

Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District