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**COLORADO RIVER COMMISSION
OF NEVADA**

May 8, 2014

NOTICE OF INTENT TO ACT UPON A REGULATION

**NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT
AND REPEAL OF PERMANENT REGULATIONS OF
THE COLORADO RIVER COMMISSION OF NEVADA**

LCB File No. R148-13

The Colorado River Commission of Nevada ("Commission") will hold a public hearing at 1:00 p.m. on June 10, 2014, at the Grant Sawyer Building, 555 E. Washington Avenue, Room 4401, Las Vegas, NV 89101. This public hearing will be included on the agenda for the Commission's June 10, 2014 meeting, for which notice will be issued in compliance with Nevada's Open Meeting Law.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The purpose of the hearing is to receive comments from all interested persons regarding the amendment, adoption and repeal of permanent regulations contained in Chapter 538 of the Nevada Administrative Code ("NAC").
2. The proposed changes to the Commission's regulations are needed to implement the provisions of the Hoover Power Allocation Act of 2011 (43 USC Sec. 619a), and A.B. 199 adopted in the 2013 session of the Nevada legislature (Nevada Revised Statutes 704.787).

The proposed regulations also update other provisions of NAC 538. The additional proposed regulatory changes in part:

- Revise provisions governing practice and procedures before the Commission that pertain to how hearings, public processes and in particular the hydropower marketing and allocation process, will be conducted and how to participate;
- Revise provisions regarding the marketing and allocation of power to current contractors;

- Adopt provisions governing the marketing and allocation of certain power from Hoover Dam to new allottees;
- Revise various provisions governing electric power contracting by the Commission; and other matters addressed in NAC 538; and
- Revise current risk management procedures and adopt additional risk management procedures.

3. The estimated economic effect of the regulation on the business which it is to regulate and on the public:

a. Both adverse and beneficial effects:

The proposed regulation is not expected to have any adverse economic effect on the general public. The proposed regulation may have a beneficial effect to the extent that these regulatory changes facilitate expeditious allocation of post-2017 Hoover power and provide the Commission staff with new tools for administration of electrical power contracts.

b. Both immediate and long-term effects:

The proposed regulation does not have an immediate or long-term effect on the general public, because these regulations address aspects of the Colorado River Commission's statutory mandate which focus upon the Commission's trust responsibility under NRS 538.181 to hold and administer the State of Nevada's rights and benefits to electrical power, including Hoover power, and to ensure that the State's power contracts are administered for "the greatest possible benefit to this state" under NRS 538.161. These regulations do not contain provisions related to the general public, other than those members of this group who participate in the receipt and delivery of Hoover power.

4. A statement identifying the methods used by the agency in determining the impact on a small business prepared pursuant to subsection 3 of NRS 233B.0608:

Pursuant to NRS 233B.0608(3), the methods used by the agency in determining the impact of these proposed revisions to NAC 538 include the following: Commission staff reviewed the draft revisions, applicable state and federal laws, and the Commission's power contracts that will be impacted by approval of the proposed revisions, to determine whether the proposed revisions would impact a small business. This research determined that these regulations will not impact small business because participation is voluntary, any entity that meets the requirements may apply, the proposed regulations implement provisions of the Hoover Power Allocation Act of 2011 and Assembly Bill 199, and the proposed regulations do not impose a fee or other charge in the application process. A copy of the Small Business Impact Statement prepared regarding these regulations is available on the Commission's website at www.crchoverallocation.com.

5. The estimated cost to the agency for enforcement of the proposed regulation:

Enforcement of these proposed regulations poses no significant cost to the Commission beyond funds already authorized in the budget approved by the Nevada legislature.

6. A description of and citation to any regulation of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.

The proposed regulation does not overlap that of any other state, local, or federal agency.

7. If the regulation is required pursuant to federal law, a citation and description of the federal law:

Certain provisions of these proposed regulations are required to implement the federal Hoover Power Allocation Act of 2011 (43 USC Sec. 619a), which authorized the Commission to receive, allocate and administer Nevada's allocation of Schedule A, B, C and D Hoover power, and to receive and administer allocations of Schedule D Hoover power approved by the Western Area Power Administration.

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

Sections 12 and 13 of the proposed regulations in part implement provisions of NRS 704.787 (1)(c) that require an applicant that receives an allocation of capacity and energy from the Commission to have an annual peak load of at least 1 megawatt which is more stringent than the Western Area Power Administration's minimum allocation of 100 kilowatts pursuant to its December 30, 2013 Federal Register Notice Volume 78, Number 250.

9. Whether the proposed regulation establishes a new fee or increases an existing fee:

The proposed regulations do not establish any new fees or increase an existing fee.

10. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation of how other interested persons may obtain a copy of the summary.

The Commission solicited comments from affected businesses by conducting informal meetings with its existing customers over the course of the past year as staff developed the proposed regulations, and solicited comments through the notices issued prior to the workshop conducted on these proposed regulations on April 21, 2014. The Commission also accepted written comments through April 25, 2014. The transcript of the workshop and written comments received by the Commission are available on the Commission's Hoover allocation website at www.crchoverallocation.com.

Comments and Written Submissions

Persons wishing to comment on the proposed action of the Commission may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form to:

**Executive Director
Colorado River Commission of Nevada
555 E. Washington Avenue, Suite 3100
Las Vegas, NV 89101**

Written submissions must be received at least ten working days prior to the public hearing scheduled for June 10, 2014. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Commission may proceed immediately to act upon any written submissions.

NOTICE: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to participate. If special arrangements are necessary, please call Carla Miguel at (702) 486-2670 at least 72 hours before the hearing so that suitable arrangements can be conveniently made.

Copies of Proposed Permanent Regulations

Pursuant to NRS 233B.063, a copy of the Proposed Regulations to be adopted, amended and repealed, and a list of changes included in this version which were not included in the proposed regulations submitted to the LCB on March 7, 2014, are available on the Commission's Post-2017 Hoover Remarketing website www.crchoverallocation.com, and the Commission's office at 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101, during business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.).

This notice and the text of the proposed regulation to be adopted, amended and repealed, and a list of changes included in this version which were not included in the proposed regulations submitted to the LCB on March 7, 2014 will also be submitted to the Legislative Counsel Bureau for inclusion in the State of Nevada Register of Administrative Regulations pursuant to NRS 233B.0653, and on the Legislative Counsel Bureau website at <http://www.leg.state.nv.us>.

Also, a copy of this notice and the regulation to be adopted, amended and repealed, and a list of changes included in this version which were not included in the proposed regulations submitted to the LCB on March 7, 2014 have been sent via overnight mail and electronic mail to be placed on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours and at the following public libraries:

- Carson City Library, 900 N. Roop Street, Carson City, NV 89701
- Churchill County Library, 553 South Maine Street, Fallon, NV 89406
- Las Vegas – Clark County District Library, 833 Las Vegas Blvd. North, Las Vegas, NV 89101

- Douglas County Library, 1625 Library Lane, Minden NV 89423-0337
- Elko County Library, 720 Court Street, Elko, NV 89801-33801
- Esmeralda County Library, Crook & 4th Street, P.O. Box 430, Goldfield, NV 89013
- Eureka County Library, 10190 Monroe Street, Eureka, NV 89316
- Humboldt County Library, 85 East 5th Street, Winnemucca, NV 89445
- Battle Mountain Branch Library, 625 South Broad Street, Battle Mountain, NV 89820
- Lincoln County Library, 63 Main Street, Pioche, NV 89043
- Lyon County Library, 20 Nevin Way, Yerington, NV 89447
- Mineral County Library, 110 1st Street, Hawthorne, NV 89415
- Pershing County Library, 1125 Central Avenue, Lovelock, NV 89419
- Storey County Library, Drawer D, Virginia City, NV 89440
- Nye County Library, 167 Central Street, P.O. Box 449, Tonopah, NV 89049
- Washoe County Library, 301 S. Center Street, Reno, NV 89501
- White Pine County Library, 950 Campton St. Ely, Nevada 89301

Copies of this notice and the regulation to be adopted, amended and repealed, and a list of changes included in this version which were not included in the proposed regulations submitted to the LCB on March 7, 2014 have been sent via electronic mail to interested persons that requested to be notified.

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Pursuant to NRS 233B.064(2), upon adoption of any regulation the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of public hearing has been posted at the following locations:

- City of Las Vegas City Hall, 495 South Main Street, Las Vegas, NV
- City of North Las Vegas City Hall, 2250 Las Vegas Boulevard North, North Las Vegas, NV
- Clark County Government Center, 500 South Grand Central Parkway, Las Vegas, NV
- State of Nevada Grant Sawyer Building, 555 East Washington Avenue, Las Vegas, NV

This notice of public hearing has been faxed and/or sent via electronic mail with posting verified at the following locations:

- The Capitol Building, 101 North Carson Street, Carson City, NV
- Nevada State Legislature Building, 401 South Carson Street, Carson City, NV
- City of Boulder City Hall, 401 California Avenue, Boulder City, NV
- City of Henderson City Hall, 240 Water Street, Henderson, NV
- Laughlin Chamber of Commerce, 1725 Casino Drive, Laughlin, NV
- Laughlin Town Manager's Office, 101 Civic Way, Laughlin, NV
- Esmeralda County, Courthouse, 233 Crook Avenue, Goldfield, NV
- Eureka County, 10 South Main Street, Eureka, NV
- Lincoln County, 181 North Main Street, Pioche, NV
- Mineral County, 105 South "A" Street, Hawthorne, NV
- Nye County, 1520 East Basin Avenue, Pahrump, NV
- White Pine County, Courthouse, 801 Clark Street, Ely, NV