Summary of comments received in the April 21, 2014 Rulemaking Workshop and written comments received by April 25, 2014

Attorney General's Office, Bureau of Consumer Protection: Comment Nos. 1, 18, 19, 24, 28
City of Mesquite, Nevada: Comment Nos. 2, 4, 9, 12
NV Energy: Comment Nos. 10, 11, 16, 17, 26, 27
Basic Power Company: Comment No. 22
City of Henderson, Nevada: Comment Nos. 7, 14
Southern Nevada Water Authority: Comment Nos. 6, 13
Valley Electric Association: Comment Nos. 3, 5, 8, 15, 25
Olin Corporation: Comment Nos. 20, 21, 23, 29

Comment #	Section #	Author	Point Raised	CRC Staff Response[1]	Revision	
					Yes	No
1	9	Paul E. Stuhff, Senior Deputy Attorney General, Bureau of Consumer Protection (BCP) (Written Comment)	BCP notes that there is a slight inconsistency in how Schedule A is defined in Section 9 of the CRC's proposed regulations and how Schedule B is defined in NAC 538.380.	The difference is due to the fact that Schedule B resulted from upgrades that increased capacity of Hoover equipment and facilities in the 1980's, and Schedule A did not. Under federal law, the entire Nevada allocation of Schedule B is allocated to the CRC, while both the City of Boulder City and the CRC receive direct allocations of Schedule A directly, as well as the CRC.		X
2	13(7)	Aaron Baker, City Liaison Officer, City of Mesquite (Written Comment)	This requirement seems extremely open-ended (referring to CRC proposed regulation – "*Complies with other requirements imposed by the Commission*". The City would like further clarification of what CRC is hoping to accomplish by this requirement and if there are specific areas of concern this is intended to address.	The CRC needs to retain the flexibility to make adjustments for future changes and circumstances. Any future requirements imposed by the CRC will be conducted after consultation with CRC's hydropower contractors and in an open public process pursuant to Nevada open meeting law (NRS 233B).		X
3	16(1)(b)	Curt Ledford, Esq., General Counsel, Valley Electric Association (Written Comment)	Valley suggests adding a definition to the term "densely populated counties" in the proposed regulations. In Section 16, the term "densely populated counties" is used three separate times [16(1)b), 16(2)(e), 16(2)(f)]. This term is not defined in the regulation. Valley recommends that a definition for this term be included for clarity.	The term "electric utility that primarily serves densely populated counties" is already defined by statute in NRS 704.787(7)(b). A revision was made to reference the specific NRS provision.		X
4	16(1)(b)	Aaron Baker, City Liaison Officer, City of Mesquite (Written Comment)	While this section does not directly apply to the City of Mesquite, the City does have similar concerns to those expressed below regarding Section 16-2-f (*referring to City of Mesquite comment No. 9*).	See response to Comment No. 9.		X
5	16(2)(e)	Curt Ledford, Esq., General Counsel, Valley Electric Association (Written Comment)	Valley suggests adding a definition to the term "densely populated counties" in the proposed regulations. In Section 16, the term "densely populated counties" is used three separate times [16(1)b), 16(2)(e), 16(2)(f)]. This term is not defined in the regulation. Valley recommends that a definition for this term be included for clarity.	See response to Comment No. 3.		X
6	16(2)(f)[2]	Scott Krantz, Director, Energy Management, SNWA (Written Comment)	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	Staff recognizes the goal of AB199 is to do no economic harm to NVE's current customers if additional Schedule D Hoover hydropower was allocated to loads within NVE's service area. The provision of 16(2)(f) has been revised to further clarify that loads receiving Schedule D, within NVE's service area that are not supplied energy from NVE do not have to pay charges and fees under AB 199. The proposed regulation has been modified as follows (changes shown in ~~strikeout~~ and in <u>underlined text</u>):	X	

[1] The CRC responses address each of the comments, and sets forth revised language which was incorporated into the May 8, 2014 draft in response to certain comments.
[2] Mr. Krantz' comment cited Section 16(1)(f), but actually discusses the language in Section 16(2)(f).

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			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 (PUCN). 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.	*Pay applicable tariff rates and charges pursuant to NRS 704.787 (4)~~[(b)]~~ (a) on its Schedule D allocation if the Contractor is located in the service area of an electric utility that primarily serves densely populated counties, is a customer of the Commission pursuant to NRS 704.787 (1)(b), and will receive Schedule D at delivery points that are ~~[already included in]~~ served pursuant to an existing Distribution Only Service agreement~~[.]~~, provided that the Contractor has not previously paid such rates and charges.*		
7	16(2)(f)[3]	Priscilla Howell, Director, Dept. of Utility Services, City of Henderson (COH) (Written Comment)	COH supports the approach taken by CRC clarifying that local government agencies currently receiving services from CRC pursuant to Nevada Power's DOS tariff would not be required to pay the fees set forth in NRS 704.787 if the agency has already paid those fees.	See response to Comment No. 6.		
8	16(2)(f)	Curt Ledford, Esq., General Counsel, Valley Electric Association (Written Comment)	Valley suggests adding a definition to the term "densely populated counties" in the proposed regulations. In Section 16, the term "densely populated counties" is used three separate times [16(1)b), 16(2)(e), 16(2)(f)]. This term is not defined in the regulation. Valley recommends that a definition for this term be included for clarity.	See response to Comment No. 3.		X
9	16(2)(f)	Aaron Baker, City Liaison Officer, City of Mesquite (Written Comment)	The City of Mesquite is concerned about applicable tariff rates and charges. While the City of Mesquite is located in Clark County, it is not served by NV Energy. Overton Power District No. 5 serves Mesquite. It is common knowledge that the business models for NV Energy and Overton Power District are different. Consequently, it seems unfair to lump a small-scale utility into the same group as a large-scale utility company that serves approximately 2 million customers in Clark County.	The rates and charges set forth in paragraph 16(2)(f) of the revised regulations do not apply to the service territories of Overton Power District, Lincoln County Power District, Valley Electric Association, or the City of Boulder City. The rates and charges listed in this section only apply to customers located in Nevada Power Company's service territory.		X
10	16(2)(f)	Douglas Brooks, Asst. General Counsel, NV Energy (Written Comment)	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 DOS 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.	See response to Comment No. 6, which incorporates revised language proposed by Nevada Power.	X	

[3] Ms. Howell's comment cited Section 16(1)(f), but actually discuss the language in Section 16(2)(f).

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11	16(2)(f)	Douglas Brooks, Asst. General Counsel, NV Energy (Oral Comment)[4]	We are concerned that Section 16(2)(f) to us appears to be a misinterpretation of the relevant section of NRS 704.787, specifically subsection 3. As you, of course, know, this was part of AB 199 that passed last year in Nevada's legislative session. We believe that all new customers who are allotted Schedule D power are subject to the provisions of that subsection 3 for AB 199 and that all the charges enumerated therein would apply to those customers. It appears to us that subsection 2F of Section 16 of your regulations does not accomplish that and omits those, what I call subsection 3 charges from applying to those customers.	See response to Comment No. 10.		
12	31(2)	Aaron Baker, City Liaison Officer, City of Mesquite (Written Comment)	The City seeks clarification regarding the determination of the term of the contract. Will both parties have to mutually agree to the term or does the Commission dictate it? The City would prefer a longer term and wants to ensure that remains a possibility.	The term of the contract for Schedule D power allocated by Western will be the term set by Western. The contract term for Schedule D power allocated by the CRC will be set by the CRC.		X
13	32(1)	Scott Krantz, Director, Energy Management, SNWA, (Written Comment)	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.	Staff anticipates that the flexibility requested by the SNWA will be available through the administration of contracts under the proposed revised regulations. It is anticipated the Commission will approve new contracts which include exhibits specifying points of delivery, and contract provisions allowing for administrative approval of changes to those schedules. As a matter of policy, the staff does not believe the Commission would support a "point of use" outside the State of Nevada.		X
14	32(1)	Priscilla Howell, Director, Dept. of Utility Services, City of Henderson (Written Comment)	COH endorses SNWA's suggestion that CRC remove the requirement that a Contractor purchasing power obtain prior approval of the Commission to change the "point of use" if the "point of use" remains inside the current balancing authority or inside the State of Nevada.	See response to Comment No. 13.		X
15	32(2)(c)	Curt Ledford, Esq., General Counsel, Valley Electric Association (Written Comment)	Section 32 (2)(c) of the proposed regulation states that an electric utility that contracts with the Commission for power from the Boulder Canyon Project, Parker-Davis Project or Salt Lake City Area Integrated Projects may only "resell that power to serve customers in its service territory, within this state and within Western's defined marketing area, without seeking the approval of the Commission." This proposed regulation adds two new criteria for resell that could potentially impact the practices of existing CRC contractors. The service territory proscribed for Valley by the PUCN may not be entirely within Western's defined marketing area. Valley serves Nevada members that are located north of Beatty. Valley believes in equal and fair treatment for all of its members. Therefore, Valley recommends that CRC provide a regulation that does not work to exclude certain members / customers of a CRC contracting utility from obtaining affordable and renewable hydropower resources that	While Staff understands that Mr. Ledford's comment is limited to Section 32(2)(c), we believe these concerns are addressed in provisions of Section 32(2)(b), which creates an opportunity for VEA to seek Commission approval for resale of federal hydropower outside Western's defined marketing area, and authorizes the Commission to conduct a case-by-case review of such issues.		X

[4] Oral comments were given at the NAC Rulemaking Workshop held on April 21, 2014. Where written comments were provided by the same agency, the oral comment on the same subject matter follows the written comment.

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			would be otherwise available to other members / customers of the same utility, unless such is specifically required by state or federal law or regulation. Valley believes that all of its members should be able to enjoy the benefits provided by the hydropower marketed by CRC since Valley is a Nevada-based cooperative and current customer of CRC. Therefore, Valley suggests that the current language of NAC 538.540(2) be preserved, or be modified in a way to ensure equal benefit for all of a specific utility's patrons.			
16	32(4)	Douglas Brooks, Asst. General Counsel, NV Energy (Written Comment)	Section 32(4) of the proposed regulations would amend NAC 538.540 to require 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. 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. 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.	Section 32(3)(a) and Section 32(4) of the proposed regulation have been modified as follows (changes shown in ~~strikeout~~ and in underlined text): [5] *Section 32(3): An electric utility that contracts with the Commission for power from the Boulder Canyon Project:* *(a) Must use the full power resource available to them, including energy, capacity, and the dynamic signal and other ancillary services, and pass through to its customers located within Western's defined marketing area, the ~~[full]~~ economic benefits of ~~[that power]~~ the energy, capacity, and dynamic signal and other ancillary services utilized by the customers, except as provided in subsection 4, and shall provide information demonstrating compliance with this requirement upon request of the Commission.* *Section 32(4) ~~[NV Energy, Inc.,]~~ Nevada Power Company shall pass through to its residential class of ratepayers located within Western's ~~[Boulder Canyon Project]~~ defined marketing area for the Boulder Canyon Project the ~~[full]~~ ~~[economic]~~ economic benefits of power from Schedule A and Schedule B.* Staff believes using the term "economic" with the addition of 32(3)(a) are sufficient to provide the benefits of Hoover hydropower to appropriate Nevada customers.	X	
17	32(4)	Douglas Brooks, Asst. General Counsel, NV Energy (Oral Comment)	The current regulation requires Nevada Power to pass the benefits of Schedule B power through to residential customers, as does the contract between the CRC and Nevada Power for the sale of Schedule B power. As a general principle, Nevada Power does not believe it's appropriate for anyone other than the PUCN to attempt how Nevada Power's rates should be set. The PUCN has been given exclusive jurisdiction by the Nevada Legislature over Nevada Power's rates. It's Nevada Power's position that the CRC shall not further attempt this rate setting through further regulations. The rate process involves the balancing of many interests, and the allocation of an additional hundred megawatts of Nevada Power would disadvantage other rate classes and make Nevada Power less	Staff recognizes that the PUC-N has the duty to set Nevada Power's rates. However, the CRC has the duty to ensure that Hoover power resources are used for the greatest possible benefit of the State of Nevada. The CRC carries out this responsibility through its regulations and contracts. Staff anticipates that Nevada Power will ask the PUC-N to take into account the terms and conditions of future Hoover power contract in its consideration of Nevada Power Company's future rate filing. Regarding "full benefits" see response to Comment No. 16.	X	

[5] The Commission intends to honor current contracts through their term.

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			competitive. We feel the appropriate place to balance all these interests is before the PUCN and not in the CRC regulation. Nevada Power is somewhat confused and unclear about the meaning of the term "full benefits" in subsection 4. A definition of this phrase we think would be very helpful for its proper understanding and application should this section be included in the opted regulations. 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 under their interim joint dispatch agreement, our objections against the CRC's regulations attempting to dictate PUCN's rate making decisions apply here as well.			
18	32(4)	Paul E. Stuhff, Senior Deputy Attorney General, Bureau of Consumer Protection (written comment)	BCP is supportive of the CRC's proposed amendment to Section 32(4) of NAC 538.540, to pass through the full benefits and costs of power from both Schedule A and Schedule B to Nevada Power Company's residential customers. Further the BCP would note, there is no statutory or regulatory ratemaking prohibition that would keep the CRC from adopting a regulation that would fully allocate Schedule A to the residential class of NPC.	See response to Comment No. 17.	X	
19	32(4)	Eric Witkoski, Consumer Advocate, Attorney General's Bureau of Consumer Protection (Oral Comment)	I'm not sure I totally agree with the characterization of Nevada Power's interpretation on what the PUCN can do and what the CRC can do. The Hoover Schedule B was allocated to residential rate payers in a contract in the early '80s. And that's been followed by the PUCN. And it may be up to the CRC on how that's going to be allocated.	See response to Comment No. 17.	X	
20	34(5)	Lloyd Webb, Director, Energy Procurement, Olin Corporation (Written Comment)	There are situations (e.g. Industrial Parks or Commercial Parks) where the meters, switches and breakers are under the command and control of the Landlord or the Operator of their electrical systems and not the Contractor. In these situations the Contractor has no legal right to comply with this Section and it is our suggestion that the Party that controls the applicable equipment contracts with the Contractors to act as their agent to meet the requirements of this Section. This requires a minor revision of this section by changing "Contractors" to "Contractors or their Agent(s)".	Staff agrees to recommended acceptance of Olin's proposed change to subsection 34(5).	X	
21	34(5)	Lloyd Webb, Director, Energy Procurement, Olin Corporation (Written Comment)	Under subsection 5, add language that creates a two-step process for curtailing the power supply to industrial customers. Step 1 would be to provide notice to cease consuming power and if the Contractor doesn't comply within 24 hours then CRC will initiate Step 2 which would be to terminate the power supply. This ensures that sufficient planning takes place so an orderly shutdown can be effected without putting plant personnel or the public at risk.	Staff is developing specific contract provisions for late payment and non-payment. Staff agrees that appropriate notice and due process is required before the Commission can effectuate a shutdown and believes the details are appropriately addressed in the contract between the CRC and the contractor.		X
22	34(5)	Colen D. Watts, Vice President, Basic Power Company (Written	As we have discussed, Basic Power Company is not able to allow any third party to have access to the BMI complex common electrical system. We propose that Section 34(5) be modified by adding the following provision: Each Contractor	Implementation of this provision will require cooperation and discussions among the affected parties. Implementation may take various paths which may include agreements governing access and procedures to ensure an orderly shutdown of		X

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		Comment)	that operates electrical facilities which serve other Contractors may, in lieu of providing the Commission with the ability to physically disconnect another Contractor's power, act at the specific written direction of the Commission to disconnect such other Contractor, provided that the Commission shall indemnify, defend and hold such Contractor that acts to disconnect another harmless from any claims that such the disconnection was not authorized by this Regulation or was otherwise wrongful for any reason.	power supply. Staff believes this should occur during the implementation phase.		
23	36(5)	Lloyd Webb, Director, Energy Procurement, Olin Corporation (Written Comment)	Sec. 36 NAC 538.610 subsection 5 – change "for 90 days" to "for 90 consecutive days". Contractors often do multi-year outage planning where over the course of three years the aggregate of the outages may exceed 90 days. We don't believe that reporting these types of outages over a multi-year planning horizon is the intent of this Section.	Staff agrees to the suggested change. Section 36(5) has been revised to read as follows "As soon as practicable, a Contractor planning, projecting or experiencing a decrease in its load of 30 percent or more for 90 *consecutive* days or more, *in any 12 month period*, shall notify the Commission of the decrease in its load."	X	
24	39(1)	Paul E Stuhff, Senior Deputy Attorney General, BCP (Written Comments)	BCP believes that Schedule A energy should be 613,689,000, not the 13,689,000 in the proposed regulation. Also in this subsection, BCP believes that Schedule B should be 391,400,000, not the 341,400,000 in the proposed regulations.	Staff agrees that the Schedule A total KWH should be 613,689,000. The number has been corrected in the proposed regulation.	X	
25	39(1)	Curt Ledford, Esq., General Counsel, Valley Electric Association (Written Comment)	Valley notes that in Section 39, line 3 of page 22 of the proposed regulations, the proposed modification changes the total energy in kilowatt hours from 645,989,000 to 13,698,000. Valley inquires as to whether that number is correct, or if it contains an inadvertent error.	See response to Comment No. 24.	X	
26	39(2)	Douglas Brooks, Asst. General Counsel, NV Energy (Written Comment)	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.	The reference to NV Energy, Inc. has been changed to Nevada Power Company.	X	
27	39(2)	Douglas Brooks, Asst. General Counsel, NV Energy (Oral Comment)	The current contract and any future contract for Schedules A or B power would be with Nevada Power Company.	See response to Comment No. 26.	X	
28	39(2)	Paul E Stuhff, Senior Deputy Attorney General, BCP (Written Comment)	The schedule should refer to Nevada Power Company, not NV Energy, Inc.	See response to Comment No. 26.	X	
29	40(4)	Lloyd Webb, Director, Energy Procurement, Olin Corporation (Written Comment)	Sec. 40 NAC 538.744 subsection 4 CRC establishes limits to the expected obligation for Contractor to make payments to a cash working capital fund or power prepayment similar to the limits that were established for collateral as memorialized in subsection 3 of this Section.	Possible implementation of a cash working capital fund and power prepayment requirement will be determined by a decision of the Commission following discussion with customers. Such decisions of the Commission will reflect the results of the creditworthiness review, implement sound risk management policies, and protect the financial health of the Commission and this State.		X