

# PUCN Connection

A MONTHLY NEWSLETTER FROM the PUBLIC UTILITIES COMMISSION OF NEVADA

October 2022 Edition

## Utilities Don't Profit from Fuel & Purchased Power Costs

### FUEL & PURCHASED POWER COSTS

The fuel cost for a natural gas utility is the cost of the natural gas it purchases for delivery to customers for their use, and the cost of the interstate pipeline service used to obtain the natural gas. Natural gas utilities' fuel costs might reasonably be expected to account for 33 percent of a customer's bill in Southern Nevada and 55 percent in Northern Nevada, depending on market conditions.

For electric utilities, fuel costs include the cost of coal and natural gas to generate electricity at power plants. Electric utilities also incur purchased power costs when they buy electricity in the wholesale market, including renewable energy. Electric utilities' fuel and purchased power costs might reasonably be expected to account for 33 percent of a customer's bill, depending on market conditions.

### ARE UTILITIES PERMITTED TO PROFIT ON FUEL AND PURCHASED POWER COSTS?

No. Fuel and purchased power costs are passed on to ratepayers on a dollar-for-dollar basis, without providing any profit to utilities. The amount of profit a utility is permitted to have the opportunity make is a separate determination, made in a general rate case. (See the PUCN's "[General Rate Case Process](#)" fact sheet.)

### HOW ARE FUEL & PURCHASED POWER COSTS RECOVERED IN RATES?

Fuel and purchased power rates charged to retail customers consist of two components:

1. Base Tariff Energy Charge (BTER)
2. Deferred Energy Accounting Adjustment (DEAA)

The BTER is set to collect from ratepayers the estimated cost of fuel and purchased power. It is updated each quarter to reflect the average recorded costs of fuel and purchased power for the previous twelve months.

The DEAA rate eliminates the difference between the BTER revenues and the utility's actual costs of fuel and purchased power, so that in the end ratepayers only reimburse the utility for its actual costs. If the BTER was set too high, customers receive a credit in the DEAA. If the BTER was too low, the utility collects the difference.

Both rates are updated each quarter according to Nevada law. These quarterly rate adjustments are not subject to the requirements for notice and a hearing as other types of rate adjustments, because these costs are subject to review and adjustment in an annual filing in which they are reviewed for prudence and subject to possible disallowance.

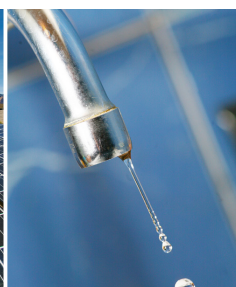
### DOES THE PUCN REVIEW THESE COSTS, AND WHAT DOES THE PROCESS INCLUDE?

On an annual basis, electric and gas utilities apply to the PUCN for a determination that their fuel and purchased power costs for the previous calendar year were prudent. In general, electric utilities make a filing called a deferred energy accounting adjustment application, and gas utilities make a filing called an annual rate adjustment application. The PUCN examines the fuel and purchased power costs presented in these applications to determine whether the utilities prudently incurred them. (These applications may also include requests to set other rates such as renewable energy program rates for electric utilities and shrinkage rates for gas utilities.)

The receipt of a utility's application initiates a process that must, by Nevada law, be completed within 210 days.

The PUCN is required to conduct a consumer session when an application to recover fuel and purchased power costs requests an increase of a certain amount specified in statute. Consumer sessions offer a forum for the public to voice opinions on these applications directly to PUCN commissioners.

Continued on page 2



## Fuel & Purchased Power: *continued from page 1*

### DO UTILITIES ALWAYS RECOVER ALL OF THEIR FUEL AND PURCHASED POWER COSTS FROM CUSTOMERS?

Not always. The law requires the PUCN to disallow recovery of any fuel and purchased power costs that it determines were imprudent. Costs may be disallowed, for example, if the PUCN finds that a utility did not manage its procurement of fuel and purchased power prudently. The DEAA rate is adjusted to reflect any disallowance by the PUCN.

#### MORE INFORMATION

More information about PUCN consumer sessions, proceedings, and representation of the collective interests of consumers by the Bureau of Consumer Protection can be found on the “Consumers” section of the PUCN’s website. Also, visit [leg.state.nv.us](http://leg.state.nv.us) to review Nevada Revised Statute Chapter 704 and Nevada Administrative Code Chapter 704 for in depth information about purchased power & fuel requirements for utilities regulated by the PUCN.

## October 5 is Energy Efficiency Day

The following information is provided by Energy Efficiency Day and can be found at [energyefficiencyday.org/ways-to-save-on-your-next-energy-bill/](http://energyefficiencyday.org/ways-to-save-on-your-next-energy-bill/).

Want to lower your home energy bills and be more environmentally friendly? Here are 10 simple ways to reduce energy waste, at home and at work:

### 1. Make the switch to LED

LEDs are a great example of how innovation and technology can make your life easier. They last at least 25 times longer and consume up to 90 percent less electricity than incandescent bulbs.

Tip: By switching five of your home’s most frequently used bulbs with ENERGY STAR® certified LEDs, it’s possible to save \$75 on energy costs annually.

### 2. Seal Those Leaks

On average, heating and cooling account for almost half of a home’s energy consumption. In fact, all the little leaks can be equivalent to leaving open a 3-foot-by-3-foot window.

Tip: Take simple steps like caulking windows, sealing leaks around chimneys and recessed lighting, and sliding draft guards under your doors to save up to 20% on heating costs.

### 3. Heat and Cool Efficiently

Don’t waste money heating or cooling an empty home. Install a programmable thermostat and in colder weather schedule your home’s heat to lower when you are away or asleep, and increase when you are returning home or waking-up. In warm weather, schedule the thermostat to raise the temperature when you are away or asleep, and lower it at other times.

Tip: Follow the U.S. Department of Energy recommended temperatures and be energy-efficient all year.

### 4. Maintain Your HVAC System

Make sure to clean or change your furnace filters regularly.

A dirty furnace filter will slow down air flow, making the system work harder to keep you warm (or cool) and costing you more money.

Tip: Consider getting a winter tune-up. Just as a tune-up for your car can improve your gas mileage, a semi-annual or yearly tune-up of your heating and cooling system can be vital to improve efficiency, saving you money and making your home more comfortable.

### 5. Look for the ENERGY STAR® Label

ENERGY STAR® labeled windows can cut heating costs by as much as 30% compared to single-pane windows, while increasing indoor comfort and lessening fading of home furnishings.

Tip: If you are undertaking a major home remodel or new build, consider installing ENERGY STAR® qualified HVAC equipment and appliances.

### 6. Turn the Electronics Off

That sounds easy, but too often we forget and leave electronics plugged in that are not in use.

Tip: Turn off unnecessary/idle lights, appliances and

## PUCN CALENDAR

**October 11 | 10 a.m.**

### Regular Agenda Meeting

PUCN offices in Carson City & Las Vegas & live streamed on the PUCN website

[More Info](#)

**October 17 - October 21 | 10 a.m.**

### Hearing for NV Energy’s Application to Adjust General Rates Charged to Customers in Northern Nevada

PUCN Carson City office & live streamed on the PUCN website

[More Info](#)

**October 25 | 10 a.m.**

### Regular Agenda Meeting

PUCN offices in Carson City & Las Vegas & live streamed on the PUCN website

[More Info](#)

**October 28**

### PUCN offices in Carson City & Las Vegas closed for Nevada Day

View the full PUCN calendar at <https://pucweb1.state.nv.us/puc2/PUCCalendar.aspx>

Continued on page 3

## Energy Efficiency: *continued from page 2*

electronics. A power strip can help turn off multiple items at once. (Sometimes the simplest things are really effective!)

### 7. Winter Tip: Invite the Sun In

It feels like the sun abandons us during the winter, but that doesn't mean we should ignore it during the shorter days.

Tip: Open curtains/shade on your west-and south-facing windows during the day to allow sunlight to naturally heat your home, and save 2%-12%.

### 8. Summer Tip: Close Blinds and Shades

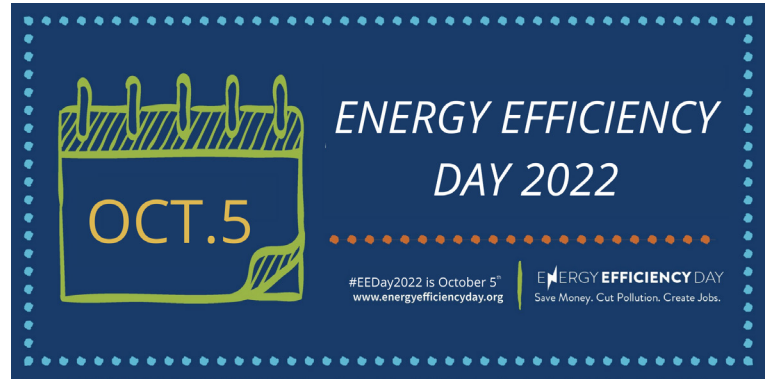
This tip is easy to forget, but vital: excess sunlight will make it harder to keep your home cool and comfortable.

Tip: During the day, keep your blinds and shades closed to prevent warm air from building up in your home.

### 9. Clean Your Clothing Efficiently

That's an easy one. A washing machine spends 90% of its energy to heat water.

Tip: Consider using cold water instead. In addition, try to run full loads as much as possible, because the machine uses roughly the same amount of energy regardless of the load size. Also, consider air-drying.



<https://energyefficiencyday.org/>

### 10. Clean Up Your Dishes Efficiently

If there's one thing that has the power to unite people, it's food. And with food comes dishes to clean. Fear not – there really is a more efficient way to use your dishwasher.

Tip: Avoid the "rinse hold" cycle and skip heated drying – simply open the door at the end of the washing cycle and let the dishes air dry!

## Dockets Opened at the PUCN in September 2022

Visit [puc.nv.gov/Dockets/Dockets/](http://puc.nv.gov/Dockets/Dockets/) to view documents filed in the dockets listed below.

Docket No.	Date Filed	Description
22-09001	9/6/2022	Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for acceptance of their 2022 Joint Distributed Resources Plan Update as it relates to their 2022-2041 Joint Integrated Resource Plan.
22-09002	9/1/2022	Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for acceptance of their Joint Energy Supply Plan Update for 2023-2024.
22-09003	9/1/2022	Application of Skybeam, LLC for authority to operate as a competitive supplier of telecommunication service within the State of Nevada.
22-09004	9/1/2022	Informational Report of Sierra Pacific Power Company d/b/a NV Energy concerning its natural gas resource planning activities.
22-09005	9/1/2022	Investigation regarding the water system improvement plan for Verdi Meadows Utility Company, Inc.
22-09006	9/1/2022	Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval of the third amendment to its 2021 Joint Integrated Resource Plan.
22-09007	9/2/2022	Application of Nevada Bell Telephone Company d/b/a AT&T Nevada and AT&T Wholesale, filed under Advice Letter No. 2073, to revise Tariff No. C to modify Special Access Service Schedule No. C7-A to remove the DS1 and DS3 High Capacity Service 3-year Payment Plan.
22-09008	9/7/2022	Joint Petition of the Regulatory Operations Staff and R.P. Weddell & Sons, Co. ("R.P. Weddell") requesting the Commission accept a stipulation regarding violations of Nevada's One Call Law by R.P. Weddell.
22-09009	9/9/2022	Joint Petition of Nevada Bell Telephone Company d/b/a AT&T Nevada and AT&T Wholesale and Utility Telecom Group, LLC d/b/a Utility Telephone for approval of Amendment No. 2 to their Interconnection Agreement pursuant to Section 252 of the Telecommunications Act of 1996.
22-09010	9/8/2022	Joint Application of Great Basin Water Co. - Spanish Springs Division ("GBWC"), STN Holding Group, LLC, STN Rockwell Group, LLC, STN Parcel 2 Group, LLC, STN Parcel 3 Group, LLC, STN Parcel 4 Group, LLC, and Spanish Springs Self Storage, LLC for authority to modify Certificate of Public Convenience and Necessity ("CPC") 2692 Sub 9 to de-annex 36.356 acres of real property from GBWC's water service territory located in Spanish Springs, Washoe County, Nevada.

Continued on page 4



## Dockets: *continued from page 3*

Docket No.	Date Filed	Description
22-09011	9/7/2022	Application of Clark County for authority to alter the existing southern Interstate 215 Beltway over the Union Pacific Railroad tracks south of Sunset Road and between Decatur Boulevard and Valley View Boulevard located in Las Vegas, Nevada.
22-09012	9/19/2022	Application of Network Service Billing, Inc. to voluntarily discontinue telecommunication service conducted under Certificate of Public Convenience and Necessity ("CPC") 2836 Sub 1.
22-09013	9/13/2022	Application of CenturyTel of the Gem State, Inc. d/b/a CenturyLink, filed under Advice Letter No. NV2022-13, to revise Tariff No. 1A to discontinue auto-renewals for the CenturyLink Line Volume Plan.
22-09014	9/14/2022	Application of Boulder Flats Solar II, LLC, under the provisions of the Utility Environmental Protection Act, for a permit to construct the Boulder Flats Solar Project consisting of a 75 MW photovoltaic solar electric generating facility, a 50 MW battery energy storage system, a substation, switchgear yard, and associated facilities to be located in Clark County, Nevada.
22-09015	9/16/2022	Registration of BARK TECHNOLOGIES, INC. as a commercial mobile radio service provider.
22-09016	9/19/2022	Filing by Frontier Communications of the Southwest Inc. and Citizens Telecommunications Company of Nevada d/b/a Frontier Communications of Nevada of annual data regarding Connect America Fund Intercarrier Compensation Replacement funding eligibility pursuant to the requirements of 47 CFR 54.304 and annual certification that price cap carrier is not seeking duplicative Eligible Recovery pursuant to the requirements of 47 CFR 51.915.
22-09017	9/19/2022	Investigation and Rulemaking to consider adopting new regulations in Chapter 704 of the Nevada Administrative Code regarding cyber security reporting requirements for regulated utilities.
22-09018	9/20/2022	Notice by EDF Renewables Development, Inc., under the provisions of the Utility Environmental Protection Act, of an application to a federal agency for approval to construct the Cathedral Solar Project consisting of an up to 900 MW photovoltaic solar electric generating facility, a 230 kV or 500 kV generation-tie line, a battery energy storage system, and associated facilities to be located in Esmeralda County, Nevada.
22-09019	9/20/2022	Application of Iron Point Solar, LLC, under the provisions of the Utility Environmental Protection Act, for a permit to construct a temporary water pipeline in association with the Iron Point and Hot Pot Solar Projects to be located in Humboldt County, Nevada.
22-09020	9/21/2022	Registration of Clear Mobile, LLC as a commercial mobile radio service provider.
22-09021	9/23/2022	Notice by Honey Mesquite Solar LLC, under the provisions of the Utility Environmental Protection Act, of an application to a federal agency for approval to construct the Honey Mesquite Solar Project consisting of a 500 MW photovoltaic solar electric generating facility, a 500 MW battery energy storage system, a 525 kV generation-tie line, and associated facilities to be located in Lyon County, Nevada.
22-09022	9/23/2022	Notice by Honey Mesquite Solar LLC, under the provisions of the Utility Environmental Protection Act, of an application to a federal agency for approval to construct the Honey Mesquite Solar Project consisting of a 500 MW photovoltaic solar electric generating facility, a 500 MW battery energy storage system, a 525 kV generation-tie line, and associated facilities to be located in Lyon County, Nevada.
22-09023	9/27/2022	Notice by Mobilitie, LLC of a pro forma change of control.
22-09024	9/27/2022	Application of Southwest Gas Corporation for authority to recover costs of gas infrastructure replacement projects through the gas infrastructure replacement mechanism.
22-09025	9/30/2022	Filing by Consumer Cellular, Incorporated to update information.
22-09026	9/30/2022	Notice by Monte Cristo Solar, LLC, under the provisions of the Utility Environmental Protection Act, of an application to a federal agency for approval to construct the Monte Cristo Solar Project consisting of a 2,500 MW photovoltaic solar electric generating facility, a battery energy storage system, a 230 kV generation-tie line, and associated facilities to be located in Esmeralda County, Nevada.

Prior editions of PUCN Connection are available at [puc.nv.gov/About/Media\\_Outreach/PUCN\\_Connection/](http://puc.nv.gov/About/Media_Outreach/PUCN_Connection/).

For questions or comments about this newsletter, contact Consumer Outreach Director Dawn Rivard at [drivard@puc.nv.gov](mailto:drivard@puc.nv.gov) or Communications Director Peter Kostas at [pkostas@puc.nv.gov](mailto:pkostas@puc.nv.gov).