

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Rulemaking to amend, adopt, and/or repeal)
regulations in accordance with Assembly Bill 449) Docket No. 25-07002
(2025).)
_____)

NOTICE OF INTENT TO ACT UPON A REGULATION, NOTICE OF WORKSHOP, AND
NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT, AND REPEAL OF
REGULATIONS OF THE PUBLIC UTILITIES COMMISSION OF NEVADA

On July 1, 2025, the Public Utilities Commission of Nevada (“Commission”) opened a
rulemaking to amend, adopt, and/or repeal regulations in accordance with Assembly Bill 449
(2025) (“AB 449”). This rulemaking has been designated by the Commission as Docket No. 25-
07002.

This Rulemaking is being conducted pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code Chapters 233B, 703 and 704, including, but not limited to, NRS 703.025, 704.210, and AB 449.

NOTICE IS HEREBY GIVEN that the Commission has scheduled a public
WORKSHOP pursuant to NRS 233B.061(2) to be held as follows:

TUESDAY, MAY 5, 2026
10:00 a.m.
Hearing Room A
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

VIA VIDEOCONFERENCE TO:

Hearing Room A
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701

AND VIA MICROSOFT TEAMS

The parties will appear and otherwise participate in the workshop either in person or remotely via Microsoft Teams. Members of the public who wish to monitor the proceeding and do not intend to participate can access the workshop at the time noticed herein either in person or via the Commission's live stream link on its website at <https://puc.nv.gov>.

The parties should provide the email address, title/role in associated business or organization, and business address for each person who intends to participate via Microsoft Teams to Administrative Attorney Adam Baker at abaker@puc.nv.gov no later than TUESDAY, APRIL 28, 2026, at 2:00 p.m.

The purpose of the workshop is to solicit comments from all interested persons on the proposed regulation, appended to this notice as Attachment A. A period will be provided for comments by members of the public and all other participants and for the discussion of those comments. Comments may be limited to three (3) minutes per person at the discretion of the presiding officer.

NOTICE IS HEREBY GIVEN that the Commission has scheduled a public HEARING pursuant to NRS 233B.061(3) to be held as follows:

WEDNESDAY, MAY 6, 2026
10:00 a.m.
Hearing Room A
Public Utilities Commission of Nevada
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

VIA VIDEOCONFERENCE TO:

Hearing Room A
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701

AND VIA MICROSOFT TEAMS

The parties will appear and otherwise participate in the hearing either in person or remotely via Microsoft Teams. Members of the public who wish to monitor the proceeding and do not intend to participate can access the hearing at the time noticed herein either in person or via the Commission's live stream link on its website at <https://puc.nv.gov>.

The parties should provide the email address, title/role in associated business or organization, and business address for each person who intends to participate via Microsoft Teams to Administrative Attorney Adam Baker at abaker@puc.nv.gov no later than TUESDAY, APRIL 28, 2026, at 2:00 p.m.

The purpose of the hearing is to solicit comments from all interested persons on the proposed regulation. A period will be provided for comments by members of the public and all other participants and for the discussion of those comments. Comments may be limited to three (3) minutes per person at the discretion of the presiding officer.

The Commission is not responsible for providing clerical or administrative assistance or materials to parties during Commission proceedings. If such assistance is necessary, then participants must make other arrangements for this type of assistance.

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

The purpose of the proposed regulation is to revise provisions governing the procedures by which certain utilities that furnish water or services for the disposal of sewage to provide for the filing of a gross domestic product deflator advice letter to request an increase or decrease in any rates or fees for the utility.

The proposed regulation is expected to have no adverse immediate or long-term economic effects on the businesses that it is to regulate.

The proposed regulation is expected to have no immediate or long-term beneficial economic effects on the business that it is to regulate.

The proposed regulation is expected to have no adverse immediate or long-term economic effects on the public.

The proposed regulation is expected to have no immediate or long-term beneficial effects on the public.

The Commission used the simplified Delphi method in determining the impact on small businesses, whereby experts review the text of the proposed regulation and determine the likely impact of the proposed regulation on small businesses. These experts share their responses with each other and form a consensus view. The Commission found that the proposed regulation does not impose a direct or significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business.

The proposed regulation will not result in the Commission incurring additional costs to enforce the proposed regulation.

The proposed regulation does not overlap or duplicate any state or local regulations.

The proposed regulation is not required pursuant to federal law.

The proposed regulation is not more stringent than a federal regulation that regulates the same activity.

The proposed regulation does not establish any new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Commission may appear at the scheduled workshop and hearing or may address their comments, data, views, or arguments in written form electronically through the Electronic Filing System on the Commission's website at <https://puc.nv.gov> or at either of the Commission's offices at 1150 East William Street, Carson

City, NV 89791 or 9075 West Diablo Drive, Suite 250, Las Vegas, NV 89148 on or before TUESDAY, APRIL 28, 2026, at 2:00 p.m. Written comments should include proposed revisions, if any, to the proposed regulation.

A copy of this notice and the proposed regulation to be adopted, amended, or repealed will be on file at the State Library, 100 North Stewart Street, Carson City, Nevada 89701, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation to be adopted, amended, or repealed are on file and available for public viewing at the Commission's website at <https://puc.nv.gov> or at the Commission's offices at 1150 East William Street, Carson City, NV 89791 or 9075 West Diablo Drive, Suite 250, Las Vegas, NV 89148 for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations (File No. R006-26), which is prepared and published by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <https://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the Commission, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or incorporate therein its reason for overruling the consideration urged against its adoption.


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Pursuant to NRS 233B.060(1), the presiding officer in this matter anticipates placing the proposed regulation on a Commission Agenda no earlier than Tuesday, May 26, 2026, for the Commission's consideration as to whether to adopt the regulation as permanent.

By the Commission,

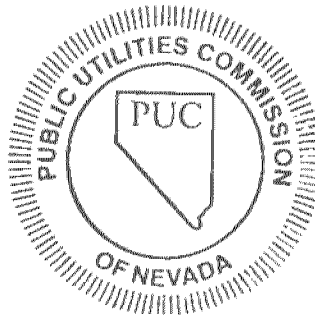


TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

4/6/26

(SEAL)



ATTACHMENT A

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R006-26

February 25, 2026

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§ 1 and 2, NRS 703.025, 704.095, as amended by section 1 of Assembly Bill No. 449, chapter 150, Statutes of Nevada 2025, at page 843, and 704.210; § 3, 703.025, 704.110 and 704.210.

A REGULATION relating to public utilities; revising provisions governing letters of advice for certain proposed changes in rates or fees by certain water or sewage utilities; revising the applicability of certain requirements for a general rate case filed by certain water or sewage utilities; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Before the enactment of Assembly Bill No. 449 (A.B. 449) of the 2025 Legislative Session, existing law required the Public Utilities Commission of Nevada to adopt regulations which provide simplified procedures or methodologies for a change of rates for certain water or sewage utilities which: (1) serve 3,000 or fewer persons; and (2) had during the immediately preceding 12-month period gross sales for water or services for the disposal of sewage amounting to \$2,000,000 or less. Existing law also required the regulations adopted by the Commission to authorize utilities that satisfy those requirements to file letters of advice to change rates based on a nationally recognized inflation index approved by the Commission. (NRS 704.095, as that section existed before October 1, 2025) A.B. 449 instead requires the regulations adopted by the Commission to provide for simplified procedures or methodologies for a change of any rates for certain water or sewage utilities which: (1) serve 4,000 or fewer persons; and (2) had during the immediately preceding 12-month period gross sales for water or services for the disposal of sewage amounting to \$4,000,000 or less. In addition to providing for the filing of letters of advice to change rates based on an approved nationally recognized inflation index, A.B. 449 also requires those regulations to provide for the filing of letters of advice to change fees, as authorized by the Commission, based on such an index. (NRS 704.095, as amended by section 1 of Assembly Bill No. 449, chapter 150, Statutes of Nevada 2025, at page 843)

Existing regulations adopted before the enactment of A.B. 449 establish procedures by which certain water and sewage utilities may file a gross domestic product deflator advice letter, which existing regulations define to mean a letter that a utility files with the Commission to request an increase or decrease, consistent with the percentage change in the gross domestic product deflator, in the fee for basic service or the charges for a commodity provided by the

utility. (NAC 704.5714, 704.584) **Sections 1 and 2** of this regulation revise those provisions, consistent with the authorization provided by A.B. 449, to provide for the filing of a gross domestic product deflator advice letter to request an increase or decrease in any rates or fees for the utility.

Existing regulations provide for the preparation and review of certain cost of service studies for the purpose of establishing the rates which may be charged and collected by certain water and sewage utilities. (NAC 704.6344-704.63455) Under existing regulations, those provisions apply only to a utility whose annual gross operating revenue with respect to the provision of water or sewer service had an annual gross operating revenue of \$2,000,000 or more for at least 1 year during the immediately preceding 3 years. (NAC 704.6344) **Section 3** of this regulation instead makes those provisions applicable only to a utility whose gross sales for water or services for the disposal of sewage exceeds the amount specified in existing law for a utility to qualify to use the simplified procedures or methodologies established by the Commission by regulation for a change of rates or fees. A.B. 449 sets that amount at \$4,000,000. (NRS 704.095, as amended by section 1 of Assembly Bill No. 449, chapter 150, Statutes of Nevada 2025, at page 843)

Section 1. NAC 704.5714 is hereby amended to read as follows:

704.5714 “Gross domestic product deflator advice letter” means a letter that a utility files with the Commission to request an increase or decrease, consistent with the percentage change in the gross domestic product deflator, in ~~the fee for basic service or the charges for a commodity provided by~~ **any rates or fees for** the utility.

Sec. 2. NAC 704.584 is hereby amended to read as follows:

704.584 1. Except as otherwise provided in this subsection, on or before April 1 of each year, a utility may file a gross domestic product deflator advice letter. A utility may not file a gross domestic product deflator advice letter pursuant to this subsection if, within the preceding calendar year, the utility filed:

- (a) An application for a general rate change pursuant to NAC 704.586; or
- (b) An application to recover increased costs of fuel or power pursuant to NAC 704.595.

2. A gross domestic product deflator advice letter must include:

(a) A schedule of the proposed ~~fee for basic service and charges for a commodity;~~ ***rates or fees for the utility;***

(b) A comparison of the existing ~~fee for service and charges for a commodity;~~ ***rates or fees for the utility*** and the proposed ~~fee for service and charges for a commodity;~~ ***rates or fees for the utility;***

(c) The dollar amount of the total increase or decrease in annual gross revenues expected to result from the proposed changes;

(d) The percentage amount of the total increase or decrease in annual gross revenues expected to result from the proposed changes;

(e) The dollar amount of the total increase or decrease in annual gross revenues expected to result from the proposed changes for each class or category of service or commodity;

(f) The percentage amount of the total increase or decrease in annual gross revenues expected to result from the proposed changes for each class or category of service or commodity;

(g) The number of customers at the time the gross domestic product deflator advice letter is filed to whom the proposed changes are expected to apply; and

(h) A copy of the workpapers that reflect the calculation of the proposed changes.

3. The utility must file copies of the gross domestic product deflator advice letter with the Regulatory Operations Staff and the Consumer's Advocate. The gross domestic product deflator advice letter filed with the Commission must be accompanied by proofs of service that copies of the gross domestic product deflator advice letter were filed pursuant to this subsection.

4. The Regulatory Operations Staff shall file with the Commission and serve on the parties a memorandum setting forth the recommendations of the Regulatory Operations Staff with respect to approval by the Commission of the proposed changes in the ~~fee for service and charges for a~~

~~commodity~~ **rates or fees for the utility** and such other action by the Commission as the Regulatory Operations Staff deems reasonable under the circumstances. The Regulatory Operations Staff shall file the memorandum required pursuant to this subsection within the later of:

(a) Thirty days after the utility filed the gross domestic product deflator advice letter with the Commission; or

(b) If the Commission has conducted a consumer session pursuant to NRS 704.069 relating to the proposed changes, 5 business days after the consumer session.

5. Not later than 10 business days after receipt of service of a memorandum served by the Regulatory Operations Staff pursuant to subsection 4, any party may file a response to the memorandum.

Sec. 3. NAC 704.6344 is hereby amended to read as follows:

704.6344 The provisions of NAC 704.63445, 704.6345 and 704.63455 apply only to a general rate case filed pursuant to NRS 704.110 by a utility that ~~is, with respect to the provision of~~ **had during the immediately preceding 12-month period gross sales for** water or ~~sewer service had an annual gross operating revenue of \$2,000,000 or more for at least 1 year during the immediately preceding 3 years.~~ **services for the disposal of sewage in an amount greater than the amount set forth in paragraph (b) of subsection 1 of NRS 704.095, as amended by section 1 of Assembly Bill No. 449, chapter 150, Statutes of Nevada 2025, at page 843.** If the utility furnishes both water and services for the disposal of sewage, its ~~annual gross operating revenue~~ **gross sales** for each service must be considered separately for determining whether the utility meets the requirements of this section for either service.