

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a)
 NV Energy and Sierra Pacific Power Company)
 d/b/a NV Energy for approval of proposed trial) Docket No. 12-05003
 Non-Standard Metering Option riders and changes)
 to existing rules and schedules associated with)
 implementation of the NSMO riders.)

Answer to Petition for Reconsideration and Rehearing

Nevada Power Company d/b/a NV Energy (“NPC”), and Sierra Pacific Power Company d/b/a NV Energy (“SPPC” and, together with NPC, “NV Energy”) file this Answer to Petition for Reconsideration and Rehearing pursuant to Section 703.801(4) of the Nevada Administrative Code (“NAC”).

On December 11, 2012, the Office of the Attorney General, Bureau of Consumer Protection (“BCP”) filed a Petition for Reconsideration or Rehearing, or Both (the “Petition”) in Docket No. 12-05003. The Petition asks the Commission to revisit its November 27, 2012 order approving NV Energy’s non-standard metering tariff, to adopt an analog meter as the non-standard meter, and establish different upfront and recurring rates for the non-standard metering service. On December 17, 2012, NV Energy and BCP entered into a Stipulation pursuant to NAC 703.750 and 703.845. See Attachment A. Through this Answer, NV Energy respectfully requests that the Commission enter an order on reconsideration or rehearing, grant the Stipulation and, pursuant to the Stipulation, issue an order establishing a non-standard metering option as set forth in the Stipulation.

There is basis for granting BCP’s request for rehearing. The Commission’s March 2, 2012 order in Docket No. 11-10007 rejected four different non-standard metering alternatives (a smart meter without communication disabled, a smart meter with limited communications, a digital meter, and an analog meter) and directed NV Energy to file a trial non-standard metering tariff with a communicating digital meter. See Order at

1 Ordering ¶ 2 (requiring NV Energy to file a non-standard metering tariff consistent with
2 the recommendations in the Final Report) & Final Report at 27 (recommending a
3 communicating digital meter), Investigation regarding NV Energy's Advanced Service
4 Delivery Meter Program a/k/a Smart Meter and its implementation, Docket No. 11-10007
5 (iss. March 2, 2012). BCP reasonably could have interpreted this order as precluding it
6 from introducing evidence related to the use of an analog meter at the hearing in this
7 docket. Accordingly, BCP could claim that, while the evidence to which NV Energy and
8 BCP stipulated existed at the time of the hearing in this docket, it could not have been
9 introduced at the hearing because BCP did not believe it was admissible. See Nev. Admin.
10 Code § 703.801(2)(c). Thus, the Commission could find that is a basis for granting the
11 request for rehearing.

12 In light of this consideration, NV Energy entered into a Stipulation with BCP
13 setting forth certain facts to which NV Energy could stipulate in the event the Commission
14 grants a request for rehearing. These fact stipulations show that, while the analog meter
15 has many drawbacks, including the fact that it is no longer manufactured in the United
16 States, NV Energy believes it can use an analog meter as the non-standard meter for a
17 period of four years. NV Energy believes that it can salvage, test, and recondition a
18 sufficient number of analog meters to service customers who “opt-out” up to the caps
19 contained in the tariffs approved by the Commission. Moreover, because NV Energy
20 could install such reconditioned meters during the ordinary course of reading non-standard
21 meters, there is a means of reducing the up-front charge.

22 NAC 703.845 allows for the “parties to the proceeding” to enter into a stipulation
23 for all or some of “the outstanding issues” in the proceeding. That regulation does not
24 expressly limit such stipulations to any specific period of time.¹ That is, the regulation

25 _____
26 ¹ This situation is different than a situation where the Presiding Officer has expressly rejected a
27 stipulation and a party to that stipulation asks the full Commission accept the stipulation after a hearing. In
28 this case, the stipulation addresses factual issues that would be within the scope of a rehearing, if the
Commission were to grant rehearing. Moreover, while the stipulation is a partial-party stipulation, the only

1 does not, on its face, prevent the parties to a proceeding from resolving some or all of the
2 issues in a proceeding after the Commission has entered an order and before the
3 Commission has ruled on a petition for reconsideration or rehearing. The Commission,
4 therefore, appears to have the power to accept the Stipulation.

5 The Stipulation provides the Commission with a means of disposing of BCP's
6 petition for reconsideration and rehearing without conducting another proceeding. The
7 Commission has the latitude to deny the petition. If, on the other hand, the Commission
8 believes that reconsideration or rehearing is appropriate, it could grant the petition and
9 accept the Stipulation without the need for conducting any more proceeding because the
10 Stipulation provides the facts that could be introduced at a rehearing, as well as a
11 resolution of any dispute regarding the issue of an analog meter for a limited period of time
12 as the non-standard meter. Because NV Energy believes there could be a basis for granting
13 rehearing in this proceeding, and a resolution of the non-standard metering option is in the
14 public interest, NV Energy respectfully requests that the Commission accept the
15 Stipulation.

16 Dated and respectfully submitted this 17th day of December, 2012.

17 Nevada Power Company d/b/a NV Energy
18 Sierra Pacific Power Company d/b/a NV Energy

19 /s/ Shawn M. Elicegui
20 Shawn M. Elicegui
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27 _____
28 party of record that has not signed the stipulation will have the opportunity to respond to the stipulation when
Staff files its answer to the petition.

ATTACHMENT A

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a)
NV Energy and Sierra Pacific Power Company)
d/b/a NV Energy for approval of proposed trial) Docket No. 12-05003
Non-Standard Metering Option riders and changes)
to existing rules and schedules associated with)
implementation of the NSMO riders.)
_____)

Stipulation

The Office of the Attorney General, Bureau of Consumer Protection (“BCP”), Nevada Power Company d/b/a NV Energy (“NPC”), and Sierra Pacific Power Company d/b/a NV Energy (“SPPC” and, together with NPC, “NV Energy”) enter into this Stipulation pursuant to Sections 703.750 and 703.845 of the Nevada Administrative Code (“NAC”). This Stipulation refers to BCP and NV Energy as the “Parties.”

Summary of Stipulation

On December 11, 2012, the BCP filed a Petition for Reconsideration or Rehearing, or Both (the “Petition”) in Docket No. 12-05003. Essentially, the Petition asks the Commission to revisit its November 27, 2012 order approving NV Energy’s non-standard metering tariff. More specifically, among other things, the Petition asks the Commission to adopt an analog meter as the non-standard meter and establish different upfront and recurring rates for the non-standard metering service. The purpose of this Stipulation is twofold: first, the Stipulation pursuant to NAC 703.750 establishes facts that, if the Commission were inclined to grant BCP’s request for rehearing, would be binding upon the Parties to the Stipulation and, therefore, could obviate the need for a rehearing; second, pursuant to NAC 703.845, the Stipulation also provides for proposed resolution of this proceeding.

Consistent with NAC 703.845, the Stipulation only settles issues relating to Docket No. 12-05003 and only seeks relief that the Public Utilities Commission of Nevada (the

1 “Commission”) is empowered to grant. Accordingly, the Parties respectfully request that
2 the Commission accept the Stipulation because, in the view of BCP and NV Energy,
3 provides (a) clarity of the terms, conditions and pricing for customers who want a non-
4 standard meter instead of NV Energy’s standard Smart Meter, (b) just and reasonable rates
5 based on appropriate and sound estimates of the incremental cost of providing non-
6 standard metering service, and (c) a just and appropriate resolution of this proceeding that
7 is in the public interest.

8 *Recitals*

9 1. NV Energy filed a Joint Application with the Commission on May 1, 2012.

10 2. NV Energy filed the Joint Application pursuant to the Commission’s order
11 in Docket No. 11-10007.

12 3. The Commission’s Order in Docket No. 11-10007 directed NV Energy to
13 file a “Trial Opt-Out Tariff with the Commission consistent with the recommendations in
14 the Report [on NV Energy’s Advanced Service Delivery Meter Program].”

15 4. The Report included a recommended alternative non-standard meter;
16 specifically, the Report specified that “[t]he combination of a digital meter that is capable
17 of drive-by reading is the alternative that NV Energy should offer to customers who
18 demand a non-standard meter.”

19 5. The Report noted that “analog meters are no longer produced by a domestic
20 supplier of meters and, therefore, these types of meters will be increasingly more difficult
21 to obtain and more expensive to maintain. . . . If a permanent opt-out tariff is eventually
22 adopted by this Commission, the reliance on analog meters that are no longer
23 manufactured by a domestic supplier and which will be more expensive to maintain over
24 time will not provide economical or reliable service to the customers who choose service
25 pursuant to an opt-out tariff.”

26 6. The Commission held an evidentiary hearing in this Docket No. 12-05003
27 on October 3 and October 4, 2012, receiving prepared written and live testimony from nine
28

1 witnesses, including witnesses advocating that the Commission not impose any up-front or
2 monthly charge for a non-standard meter for an interim period of time.

3 7. On November 27, 2012, the Commission issued a final order in this
4 proceeding, approving and modifying NV Energy's Trial Non-Standard Metering Option
5 tariff.

6 8. The Commission approved the use of a digital, non-communicating meter,
7 which is a metering option that the Commission rejected in Docket No. 11-10007.

8 9. On November 30, 2012, BCP filed a motion for a stay, asking the
9 Commission or the Presiding Officer to stay the Commission's November 27, 2012 order
10 (the "Order"), because the BCP planned to file a petition for reconsideration or rehearing.

11 10. The Presiding Officer granted the Commission's request for a stay on
12 December 4, 2012.

13 11. On December 11, 2012, BCP filed the Petition.

14 12. After the Commission issued an order granting BCP's request for a stay,
15 NV Energy and BCP met to discuss the viability of using an analog meter for a four-year
16 period (i.e., the term of the trial opt-out tariff).

17 13. Following discussions, BCP and NV Energy (referred to as the "Parties")
18 reached the following agreement and Stipulation.

19 *Agreement*

20 1. Analog meters are no longer manufactured in the United States and parts
21 can be difficult to obtain. However, the Order requires NV Energy initially to provide
22 non-standard metering service for a period of four years. NV Energy believes that (a) it
23 can obtain a sufficient supply of analog meters by reconditioning meters that are currently
24 in, or were recently removed from service in Nevada, and (b) may obtain parts from meters
25 removed from service in Nevada to offer an analog meter as the non-standard meter for a
26 period of four-years.

1 2. Analog meters suffer from several disadvantages. However, analog meters
2 provide the same basic metering information (a register read of kWh) provided by non-
3 communicating digital meters. Thus, for the purpose of an “opt-out” tariff, an analog
4 meter can fulfill the same basic function as a non-communicating digital meter for the
5 four-year period of the non-standard metering trial.

6 3. By using an analog meter, NV Energy can reduce the upfront charge for
7 non-expedited service to \$52.97 for SPPC Electric service, \$2.58 for SPPC gas service,
8 and \$53.46 for NPC service.

9 A. The reduction is based on the installation of a tested and reconditioned
10 meter to ensure that each meter in NV Energy’s service territory has been tested for
11 accuracy and secured by a new locking ring and seal. The installation of a tested and
12 reconditioned meter ensures that all NV Energy meters, both standard and non-standard,
13 meet applicable standards.

14 B. Under this Stipulation, NV Energy would install a tested and reconditioned
15 meter during the ordinary course of reading non-standard meters. Customers who desire to
16 have an analog meter installed to replace an existing smart meter will receive one within
17 90 days. NV Energy will give preference to such requests to ensure that the smart meter is
18 replaced by a refurbished analog meter at the earliest possible time, consistent with the
19 work flow necessary to provide non-standard meter reading. This approach allows NV
20 Energy to offer a lower upfront charge. Customers who desire to have an analog meter
21 installed within 10 business days after requesting a nonstandard meter would pay for a
22 dedicated site visit. The upfront charge for this service (i.e., installation of a non-standard
23 meter within 10 business days of the request) will be \$84.92 for SPPC Electric service,
24 \$2.58 for SPPC gas service, and \$85.23 for NPC service.

25 4. The recurring charges for non-standard metering service shall be \$8.04 for
26 SPPC Electric, no charge for SPPC gas, and \$8.14 for NPC service.

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1 5. The upfront rates set forth in paragraphs 3 above were developed using NV
2 Energy's cost and rate setting model approved by the Commission in Docket No. 12-05003
3 and information contained in the record in Docket No. 11-10007. Specifically, the upfront
4 rates were developed using the cost and rate methodology described in Exhibit 1 to the
5 Joint Application. Costs assumptions are based on the Attachment 4 to NV Energy's
6 December 28, 2011 comments with adjustments made to conform to (a) findings made by
7 the Commission in Docket No. 12-05003, (b) the filing made by NV Energy in Docket No.
8 12-05003, and (c) adjustments made to reflect the in-route installation of refurbished and
9 tested analog meters.

10 6. The Parties agree that (a) the Commission should establish a non-recurring
11 rate and a recurring rate reflecting the incremental cost of providing non-standard metering
12 service in this proceeding, and (b) that such fees should be charged upon the
13 commencement of providing service under the non-standard metering tariff.

14 7. The Parties agree that the rates for non-standard metering service set forth
15 in Paragraphs 3 and 4 of this Stipulation are just, reasonable and appropriate.

16 8. NV Energy shall enforce the special conditions included in the non-standard
17 metering tariff on a prospective (and not a retrospective) basis. In addition, the Parties
18 agree that a new special condition should be added to the tariff. The new special condition
19 is necessary because the non-standard meter is a non-communicating meter. NV Energy
20 discussed this condition during the hearing. The new special condition shall address a
21 circumstance where a customer denies NV Energy access to read a customer's non-
22 standard meter.

23 9. The Parties agree that no other revisions to the Order are necessary or
24 appropriate.

25 10. The Stipulation constitutes a negotiated settlement. No provision of the
26 Stipulation is severable.

1 A. If the Commission grants a request for rehearing in this proceeding, NV
2 Energy and BCP shall support this Stipulation.

3 B. If, however, the Commission grants a request for rehearing but does not
4 accept the Stipulation, then the Stipulation shall be withdrawn, without prejudice to any
5 claims or contentions that may have been made or that are made in this docket; no part of
6 the Stipulation shall be admissible in evidence; and no signatory shall be bound by any of
7 the provisions of the withdrawn Stipulation.

8 11. The Stipulation represents a compromise. Except as specifically indicated,
9 neither the Stipulation nor the Commission's acceptance of the Stipulation shall have any
10 precedential effect in future proceedings.

11 12. This Stipulation may be signed in one or more counterparts, all of which
12 together shall constitute the original document. The Stipulation may be executed by
13 signatures provided by electronic facsimile transmission, which facsimile signatures shall
14 be binding and effective as original signatures.

15
16 NEVADA POWER COMPANY D/B/A NV ENERGY AND
SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY

17
18 By: Shawn M. Eliceui Dated: 12/17/2012
19 Shawn Eliceui
Associate General Counsel

20
21 NEVADA ATTORNEY GENERAL'S BUREAU
22 OF CONSUMER PROTECTION

23 By: _____ Dated: _____
24 David M. Norris
25 Sr. Deputy Attorney General
26
27
28

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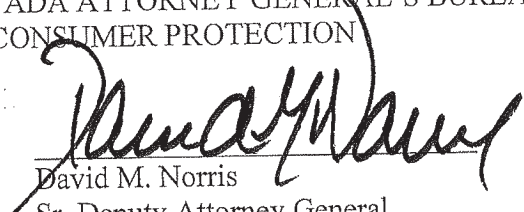
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15 NEVADA POWER COMPANY D/B/A NV ENERGY AND
16 SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY
17

18 By: _____
19 Shawn EliceGUI
Associate General Counsel

Dated: _____

20
21 NEVADA ATTORNEY GENERAL'S BUREAU
OF CONSUMER PROTECTION

22
23 By: 
24 David M. Norris
Sr. Deputy Attorney General

Dated: 12/17/12

CERTIFICATE OF SERVICE

I hereby certify that I have served **SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY AND NEVADA POWER COMPANY D/B/A NV ENERGY'S ANSWER AND STIPULATION** in Docket 12-05003 by electronic service to the following:

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DATED this 17th day of December, 2012.

/s/ Connie Silveira
Connie Silveira
Legal Secretary
Sierra Pacific Power Company