

**State of Nevada
Public Utilities Commission
2001 Biennial Report**

July 1, 1998 through June 30, 2000

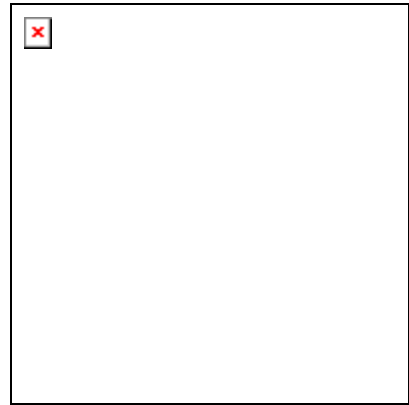


TABLE OF CONTENTS

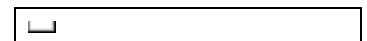
- [Letter to the Governor](#)
- [About the Public Utilities Commission](#)
- [The New Millennium and the Public Utilities Commission](#)

Members of the Commission:

- [Donald L. Soderberg](#)
- [Richard M. McIntire, Ph.D.](#)
- [Timothy Hay](#)
- [Jo Ann Kelly](#)
- [Michael A. Pitlock](#)
- [Judy Sheldrew](#)
- [Lucy Stewart](#)

The Nevada Regulatory Process:

- [Philosophy and Structure](#)
- [Commission Staff](#)
- [Administration](#)
- [Regulatory Operations](#)
- [Organizational Chart](#)
- [Electric](#)
- [Natural Gas](#)
- [Telecommunications](#)
- [Water and Wastewater](#)
- [Railroad / Gas Pipeline Safety](#)
- [Consumer Complaint Resolution](#)
- [Commission Proceedings](#)
- [Addendum](#)



Letter to the Governor

The Honorable Kenny Guinn
Governor of Nevada
Executive Chamber
State Capitol
Carson City, Nevada 89701

Dear Governor Guinn:

On behalf of the Public Utilities Commission of Nevada, I am pleased to present the 2001 Biennial Report. The report is published pursuant to Nevada Revised Statutes 703.180 and is a detailed description of the most significant cases, decisions and other Commission activities from July 1, 1998 through June 30, 2000.

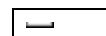
During the past two years, the Commission has been challenged by an evolution in the utilities under its jurisdiction. We continue to address issues such as mergers, acquisitions and deregulation of the electric industry and preside over filings from some of the fastest-growing utilities in the country. Concurrently, we continually strive to achieve greater internal efficiency and customer service.

Members of the Commission, as well as Commission Staff from all of the agency's divisions, remain committed to our legislative mandates and to the citizens of Nevada. We have undertaken our responsibilities with a great sense of commitment, integrity and responsibility.

It is both a privilege and an honor to serve the people of Nevada. We appreciate the leadership you have given us and look forward to your continued support.

Respectfully,

Donald L. Soderberg
Chairman



About the Public Utilities Commission

MISSION

To enable universal access to affordable, efficient, safe and reliable utility service in Nevada, the Public Utilities Commission will foster fair competition in utility markets, encourage innovation in the provision of utility services and serve as an effective surrogate for competition where it does not exist. Where competition does not exist, the Commission is to balance the interests of customers and shareholders of public utilities with the opportunity to earn a fair return on their investments while providing customers with just and reasonable rates.

The 2001 Biennial Report is published in accordance with Nevada Revised Statutes (NRS) 703.180, which requires that the Public Utilities Commission publish biennial reports concerning its proceedings. This Report covers the period from July 1, 1998 through June 30, 2000; however, some information is included which contains information on rate cases and other matters occurring after June 30, 2000. The Biennial Report is intended to be informative and does not take the place of official Commission orders or policies.

Anyone with access to a computer modem may also review the Commission's agendas, agenda minutes, notices and orders by visiting the Commission's home page at <http://www.puc.state.nv.us>. Commission records are also available for public inspection at the Commission's offices in Carson City and Las Vegas, Monday through Friday, 8:00 a.m. to 5:00 p.m. A fee of \$.25 per page may be charged for the cost of copying.

Chapters 703 and 704 of the NRS set forth the enabling legislation and framework for the Commission's regulatory duties. As a state agency, the Commission is also subject to the Administrative Procedure Act and the Nevada Open Meeting Law requirements as delineated in NRS Chapters 233B and 241, respectively, and performs its regulatory and "quasi-judicial" functions in accordance with these statutes.

Specifically, the Commission provides initial notice of filings and Commission initiated rulemakings or investigations to the public and the parties involved. In the event that no formal protests or petitions for leave to intervene are filed within the time frame set forth in the notice, the Commission will often consider Staff's recommendation for resolution of the matter at an agenda meeting. However, if a hearing

is warranted, a Commissioner is assigned to govern the proceedings and act as the Presiding Officer over hearings held for either contested cases or rulemakings. In contested cases, the Presiding Officer acts in a quasi-judicial manner by receiving and ruling on the admissibility of evidence and amendments to pleadings, acting upon any pending motions which do not involve a final determination of the proceeding, issuing appropriate interim orders ruling on all procedural matters, setting time frames for testimony and suggesting findings of fact and conclusions of law for approval by the full Commission. Witnesses are presented and subject to cross-examination by the other parties, Commissioners and Commissioners' advisors. Likewise, in rulemaking proceedings, the Presiding Officer receives public comment on proposed regulations.

The Commission conducts public agenda meetings to deliberate towards decisions or take action on matters over which the agency has supervision, control, jurisdiction or advisory power. All matters over which the Commission has supervision, control, jurisdiction or advisory power must be approved by a quorum of Commissioners during a public agenda meeting. Thus, during these meetings, the Commission receives Staff recommendations for resolution of matters which did not go to hearing, and votes on Orders presented by the Presiding Officer for final determination of matters in which hearings have been held. The Commission also votes on various administrative, legislative, legal and policy issues. Most decisions reached at these meetings become final upon issuance of a written Order.

In early 1998, the Commission completed a rulemaking, which revised streamlining its regulatory process to ensure expeditious and more efficient noticing, processing and suspension of filings. In late 2000, the Commission enacted a successor rulemaking to further improve its procedures.



The New Millennium and the Public Utilities Commission

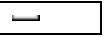
VISION STATEMENT

The Commission envisions an environment where: sellers of utility services regulated by the Commission are provided fair and impartial regulation; customers of competitive utility services receive safe, economic, efficient, accessible and reliable services; and, sellers of competitive utility services are free to compete for customers in a market void of regulatory barriers to enter.

The Commission envisions a competitive marketplace wherein effective competition in utility markets promotes prudent investment in utility infrastructures and encourages statewide economic development. The Commission also envisions a market environment where those utility services that are not offered competitively are appropriately regulated to assure universal access to safe and reliable utility service at rates that are just and reasonable while affording shareholders a fair opportunity for reasonable return on their investments.

As we enter the new millennium, Nevada is redefining itself and the Public Utilities Commission is following suit. The Commission, formed in 1911, is evolving. Today, the Commission has jurisdiction over some of the fastest-growing utility companies in the country, while addressing complex issues associated with deregulation of utility companies that have traditionally operated as monopolies. In the new millennium, the Commission will not only continue to deliberate regulatory issues, but it will be responsive to the evolution taking place in the utilities it regulates.

The Commission regulates public companies engaged in electric, natural gas, telephone, water and sewer services; gas and electric “master meter” service at mobile home parks; some propane systems; and is involved in monitoring gas pipeline and railroad safety. This 2001 Biennial Report addresses the work of the Commission from July 1, 1998 through June 30, 2000, a period of phenomenal and historic change.



Members of the Commission

Chairman

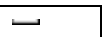
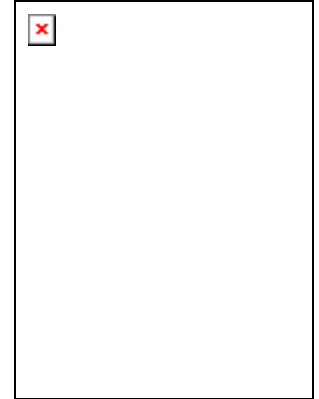
Donald L. Soderberg

*(Chairman, July 1999 - present;
term expires September 30, 2004;
Commissioner, 1998-1999 and 1995-1997)*

Governor Kenny Guinn appointed Donald L. Soderberg Chairman of the Public Utilities Commission of Nevada in July 1999 (and reappointed him to a four-year term in September 2000). Chairman Soderberg has been regulating Nevada utilities since 1995 when then Governor Bob Miller appointed him to the Public Service Commission (the predecessor of the Public Utilities Commission of Nevada).

An act of the 1997 Session of the Nevada Legislature restructured the Public Service Commission from a five-member commission to two three-member commissions, thus forming the Public Utilities Commission and the Transportation Services Authority. Upon this restructuring, Chairman Soderberg served on the Transportation Services Authority.

Chairman Soderberg received his undergraduate degree from the University of Nevada, Las Vegas and his juris doctorate from the University of San Diego School of Law. He has worked for former U.S. Senator Paul Laxalt of Nevada and his legal expertise is in environmental and gaming issues. The author of numerous articles and publications, Chairman Soderberg has contributed to Nevada Gaming Law, a textbook on gaming regulation. He is a member of the National Association of Regulatory Utility Commissioners where he serves on the Telecommunications Committee.



Commissioner

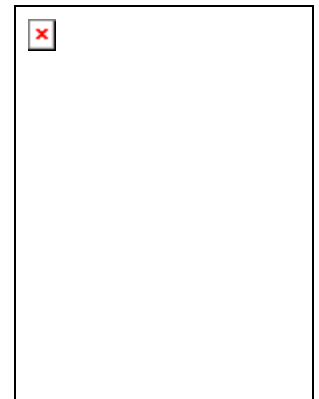
Richard M. McIntire, Ph.D.

*(December 1999 - present;
term expires November 30, 2003)*

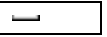
Governor Kenny Guinn appointed Richard M. McIntire, Ph.D. to a four-year term to the Public Utilities Commission of Nevada in December 1999.

In 1992 Commissioner McIntire joined the Commission’s predecessor, the Public Service Commission, as an economist. He was promoted to Deputy Commissioner in 1995. With the passage of AB366 in 1997, the Public Service Commission was restructured, forming the Public Utilities Commission of Nevada and the Transportation Services Authority. At this time, Commissioner McIntire joined the Attorney General’s Office, Bureau of Consumer Protection. He rejoined the Commission in 1999 as Director of Regulatory Operations.

Commissioner McIntire’s background includes work with Long Island Lighting Company and the Minnesota Attorney General’s Office. He received a bachelor of art’s degree in social science from Dowling College in Oakdale, NY, and a master’s degree and a Ph.D. in economics from the State



University of New York at Stony Brook. A member of the National Association of Regulatory Utility Commissioners, Commissioner McIntire serves on the Electricity Committee. He is secretary/treasurer of the Western Conference of Public Service Commissioners and serves on the Advisory Council of the Center for Public Utilities at New Mexico State University. Commissioner McIntire teaches mathematics, economics, and statistics at the University of Phoenix in Reno.



Timothy Hay, Commissioner (1996-1998)

Timothy Hay was appointed to the Public Service Commission in 1996. After the 1997 restructuring and renaming of the Commission, he was reappointed to a second term that same year.

Commissioner Hay also previously served as the agency's general counsel from 1994 to 1996. He also served as legislative counsel to U.S. Senator Richard Bryan from 1989-1994, and served as the state Budget Director and Director of the Department of Administration.

Commissioner Hay has worked as an executive assistant and legal counsel to former Governor Richard Bryan, and served as the Chief Deputy Attorney General for the Department of Taxation and the Deputy Attorney General for the Department of Transportation.

Commissioner Hay received a bachelor of science degree in Economics from the University of Nevada, Reno and a juris doctorate from the University of San Diego School of Law.

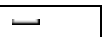


***JoAnn Kelly, Temporary Commissioner
(January 2000 - November 2000, Commissioner 1985-1996)***

Jo Ann Kelly was appointed to the Public Utilities Commission in January 2000 on a temporary basis. Governor Guinn appointed Commissioner Kelly to participate in the adjudication of contested cases pending before the Commission in which Commissioner McIntire disqualified himself due to his previous positions of Director of Regulatory Operations and as an economist for the Bureau of Consumer Protection.

Commissioner Kelly was a member of the Public Service Commission from 1985 to 1996. During her 11 years on the Public Service Commission, Commissioner Kelly presided over more than 200 regulatory proceedings. She has served on the National Association of Regulatory Utility Commissioners Committee on Natural Gas and has served as chairman of the Western Conference Gas Committee.

Commissioner Kelly is a Certified Public Accountant. She holds a bachelor's degree in Chemistry and a master's degree in Chemistry Education from the University of Chicago, and received her accounting education at the University of Nevada, Las Vegas.



Michael A. Pitlock, Commissioner (1987-1995; 1999)

Michael A. Pitlock was appointed to the Public Utilities Commission in February 1999 by Governor Guinn to fill the unexpired term vacated by Commissioner Lucy Stewart. Prior to his appointment, Commissioner Pitlock had been the executive director for the Nevada Department of Taxation since 1985.

Commissioner Pitlock's career in public service began in 1979 as a staff member for the Public Service

Commission of Nevada. In 1987, then Governor Richard Bryan appointed Commissioner Pitlock to the Commission. He was reappointed by then Governor Bob Miller to a term that ended in 1995.

During his tenure as a regulator, Commissioner Pitlock served on the National Association of Regulatory Utility Commissioners Committee on Electricity and its subcommittee on nuclear waste issues. He has served as a member of the Advisory Committee for the Regulatory Studies Program at New Mexico State University and on the Western Interstate Energy Board.

Commissioner Pitlock earned his accounting degree from St. Francis College in Pennsylvania.

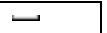


***Judy M. Sheldrew, Commissioner
(July 1999 - October 6, 2000; Chairman 1997 - July 1999;
Commissioner 1993-1997)***

Judy M. Sheldrew was appointed to the Public Service Commission, the Public Utilities Commission of Nevada's predecessor organization, in 1993. In 1994, Commissioner Sheldrew was appointed by then Governor Bob Miller to a four-year term. In 1997, he appointed her as Chairman, a position she served in until July 1999. Commissioner Sheldrew retired from the Commission on October 6, 2000.

Prior to joining the Commission, Commissioner Sheldrew held various positions in Nevada state government. She served as state Budget Director and Deputy Budget Administrator, Director of the Department of Administration and Fiscal Analyst for the Nevada Legislature.

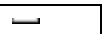
Commissioner Sheldrew received her bachelor of arts degree in pre-law from the University of Nevada, Reno.



Lucy Stewart, Commissioner (1997 - Present)

Lucy Stewart was appointed to the Commission in 1997 by then Governor Bob Miller. Prior to her appointment, Commissioner Stewart was assistant director of the Clark County Comprehensive Planning Department where she worked from 1989-1997. She has also served as the chief planner for the City of Plano, Texas and has been affiliated with the American Planning Association and the American Institute of Certified Planners.

Commissioner Stewart received her bachelor of arts degree in Criminal Justice and Political Science from Stephan F. Austin State University and her master's degree in Urban Planning from Texas A&M University.



The Public Utilities Commission of Nevada was created by an act of the 1997 Legislature when its predecessor organization, the Public Service Commission, was split into the Public Utilities Commission and the Transportation Services Authority.

The following is a list of the individuals who have served as members of the Public Utilities Commission since its creation:

Chairmen

Judy M. Sheldrew	October 1997 - July 1999
Donald L. Soderberg	July 1999 - present

Commissioners

Timothy Hay	October 1997 - December 1998
Jo Ann Kelly (Temporary)	January 2000 - November 2000
Richard M. McIntire	December 1999 - November 2003
Michael Pitlock	February 1999 - November 1999
Judy M. Sheldrew	October 1997 - October 2000
Donald L. Soderberg	December 1998 - September 2004
Lucy Stewart	October 1997 - January 1999



The Nevada Regulatory Process

COMMISSION PHILOSOPHY, STRUCTURE AND RESPONSIBILITIES

PHILOSOPHY

The Commission will strive to be flexible, impartial, objective and diligent in its efforts to carry out its mission. The Commissioners will exhibit the highest standards of professional conduct carrying out their duties with honesty, integrity and dedication to public service. The Commission will hold itself to the highest standards of professionalism, while fostering a commitment to mutual respect, and accessibility for each other and for those whom they serve.

The Commission is comprised of three Commissioners. Each Commissioner is appointed by the Governor to a four-year term. The Governor designates one of the Commissioners to act as Chairman of the Commission.

The Chairman is the Commission's Executive Officer and oversees the daily operation and all administrative functions of the agency. The Chairman approves contracts, requests amendments to the legislatively approved budget via work programs, delegates processing of paper work to the Administration Division and approves the hiring of all personnel.

The Nevada Legislature has established the professional standards that must be met for persons to qualify for appointment to the Commission. Specifically, Commissioners must have experience in accounting, business, administration, finance, economics, administrative law or professional engineering. Further, no more than two of the Commissioners may be members of the same political party or from the same field of experience.

COMMISSION STAFF

The Commission has offices in Carson City, Las Vegas and Elko and employs a staff of approximately 80 (pursuant to the Commission's reorganization in mid-2000). The Commission staff is divided into two general sections: Commission Policy/Administration and Regulatory Operations.

ADMINISTRATION

Administration is responsible for the overall administrative operations of the entire agency, to include Regulatory Operations. Administrative responsibilities include budget and fiscal management; human resources and management services; case management to include reviewing filings for administrative compliance; computer systems and operations; public information and consumer education; matters of policy and procedure; work organization, coordination, productions, and results; as well as the timely docketing, complete filing, and processing and proper record keeping of Commission filings.

Administrative Support Services

Administrative Support Services encompasses the fiscal activities to include budget preparation, maintenance, account reconciliation, accounts payable/receivable, payroll, purchasing, inventory, travel, and training. In addition, Administrative Support Services provides administrative support for the Commission Policy/Administration to include legal noticing of matters pending before the Commission; dissemination of Commission orders, certificates, agendas, and minutes; and updating the Commission's Web page.

Case Management

Case Management is responsible for reviewing, docketing and distributing all filings with the Commission. The Division prepares legally sufficient notices and orders as determined by the Commission. The Division also manages the master docket files, prepares agendas, and maintains the master calendar.

Computer Systems

Computer Systems is responsible for providing computer assistance services to all employees of the Commission; oversight and maintenance of the local area network for the Commission; maintaining and updating the database applications programs used by the Commission for docketing and docket tracking; maintaining the security and data integrity of the database tables where the docketing information is stored; and oversight and maintenance of the Commission's video conferencing system and Web site.

Consumer Outreach

Consumer Outreach is responsible for providing the public, media, financial community, trade organizations and other interested groups with information about the Commission's decisions and activities regarding those utilities it regulates. The Division is also responsible for the Commission's consumer education campaign regarding the opening of the electric market to retail competition.

General Counsel

General Counsel is responsible for representing Commission interests in all proceedings in state and federal court. In addition, the Division represents the Commission's interest before various state regulatory agencies, including Nevada Equal Rights Commission (NERC), Legislative Commission, and Nevada State Personnel Commission; and federal regulatory agencies, including the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC). The Division also counsels Commissioners and Administrative Attorneys on legal and policy issues. The Division's attorneys review and approve notices, orders, and other legal documents prepared by Administrative Attorneys and the Case Manager, draft agendas, and draft regulations and legislation. The Division is also responsible for reviewing the Commission's administrative procedures to assure compliance with the Administrative Procedure Act, as well as other statutes and regulations applicable to the Commission.

REGULATORY OPERATIONS

The Director of Regulatory Operations supervises and manages all aspects of the Regulatory Operations Staff. Responsibilities include organizing and managing all staff regulatory functions including establishment of staff policy, making recommendations to the Commission regarding utility matters, and assuring that utilities comply with Commission regulations and are providing safe and reliable service, that utility applications are processed in a timely manner, and consumer issues are resolved fairly.

Resource Analysis and Quality Assurance

Resource Analysis and Quality Assurance is responsible for ensuring that sufficient electric capacity and energy are available to serve Nevada consumers; the quality of electric, gas, and telecommunications service to consumers is preserved; and that electric and gas utilities comply with relevant environmental permitting requirements.

Regulatory Policy and Market Analysis

Regulatory Policy and Market Analysis strives to expand competitive opportunities in the provision of telecommunications, electricity, and natural gas services. Where competition does not effectively develop, the Division will apply appropriate regulatory oversight to promote just and reasonable rates.

Safety

Safety is responsible for ensuring safety in the provision of natural gas and liquid propane gas service; monitoring and enforcing compliance with railroad safety regulations; and minimizing damage to utility facilities from improper or non-compliant excavation activities.

Financial Analysis

Financial Analysis is responsible for investigating and analyzing the accounting operations and financial activities of public utilities and reviewing transactions between public utilities and their affiliates.

Small Utilities Analysis and Compliance

Small Utilities Analysis and Compliance is responsible for ensuring the safe, equitable, efficient, and reliable operation and service of small public utilities, and also provides assistance to small utilities in meeting their obligations.

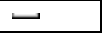
Consumer Complaint Resolution

Consumer Complaint Resolution is responsible for responding to utility consumer needs, problems, and inquiries. The Division receives, investigates, and mediates complaints that arise between customers and their serving utilities (i.e., electric, gas, telecommunications, water and sewer). The Division also tracks complaint levels and appraises the Commission of arising problem areas and makes recommendations to the Commission and the utilities regarding possible changes in policies or practices regarding the improvement of customer service and complaint resolution.

Staff Counsel

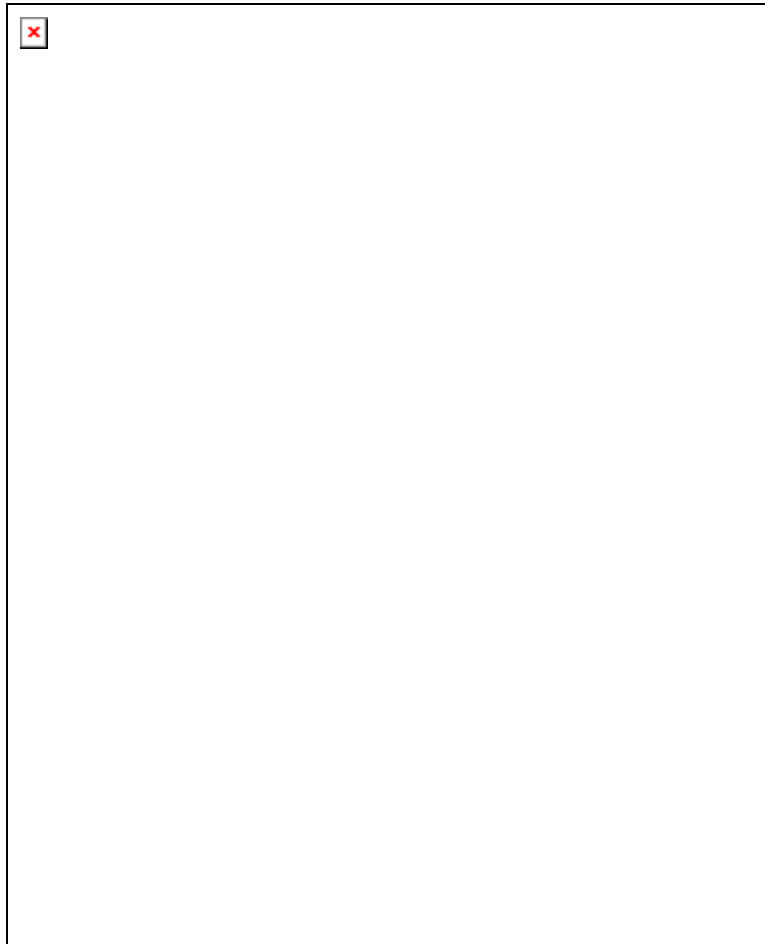
Staff Counsel is responsible for directing and supervising the legal functions of the Regulatory Operations group and is responsible for providing legal support and assistance to the Regulatory Operations Staff of the Commission (Staff) when appearing before the Commission. This includes preparing legal strategy,

formulating and coordinating data requests and responses, reviewing filings for legal adequacy and content; preparing legal comments, briefs, responses to petitions, drafting stipulations, and other legal pleadings; reviewing Staff testimony and other filings for compliance with Nevada statutes and regulations; assisting in the development and/or review of proposed regulations and legislation; representing Staff at hearings and workshops before the Commission; maintaining Staff confidential files; and, providing other legal support and assistance to Staff divisions as necessary.

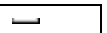


Organizational Chart

Public Utilities Commission of Nevada July 1998 - September 2000*



*As of October 1, 2000, the Commission approved a reorganization. See the [Addendum and revised Organizational Chart](#) at the end of this document.



Electric

In the United States, a revolution is occurring with respect to the provision of electric service. Recognizing the importance of an efficient electric infrastructure to the economy of our country, efforts are being undertaken at the federal and state levels to improve the performance of the electric industry through the use of competitive forces. Consequently, vertically integrated electric monopolies, which have long histories of being the sole providers of bundled electric service to customers within certificated service

territories, on a cost-plus basis, are being forced to compete for customers with other providers of electric service. As of December 1999, 24 states and the District of Columbia have commenced electric utility restructuring efforts through either legislative enactments or public utility commission initiatives.

The State of Nevada is in the forefront of electric utility restructuring efforts due to the passage of Chapter 482 (Assembly Bill 366) during the 1997 Legislature and Chapter 600 (Senate Bill 438) during the 1999 Legislature. Thus, the Commission has embarked on a very complex process of converting a monopolistic system of providing electric service to one which relies, as much as is practicable, on the discipline of the competitive market. Chapters 482 and 600 direct that alternative sellers of various electric services be allowed to sell to Nevada customers.

The Commission is in the final stages of developing the complex set of regulations and directives that will usher in a new era of competitive electric service. The goals of the new system are to: 1) encourage efficiency in the provision of electric service; 2) foster innovation in the electric service marketplace; 3) assure that all classes of customers are afforded choice; 4) provide flexibility in allowing existing utilities to enter into the new marketplace if they desire; 5) preserve the reliability and safety of the electric system; and, 6) protect customers who depend upon electric service.

On February 28, 2000, Governor Guinn announced that he would delay opening the market to electric retail competition scheduled for implementation on March 1, 2000, and instead ordered a summit meeting to form a cohesive plan for overcoming the legal and technical obstacles of deregulation. In October 2000, Governor Guinn announced the appointment of a 17-member panel named the "Nevada Electric Energy Policy Committee" to advise him on a long-term energy policy for the State and set September 1, 2001 or before as the new date for the start of electric retail competition. The Committee is to report its findings to the Governor no later than January 15, 2001.

The discussions required to introduce competition in the provision of electric service are not entirely within the hands of Nevada decision makers. The formation of a Regional Transmission Organization (RTO) and the approval of Open Access Transmission Tariffs (OATT) to dilute the market power of entities that own generation and transmission in newly emerging markets will be factors in Nevada's electric restructuring efforts. These regulatory structures are jurisdictional to the Federal Energy Regulatory Commission (FERC). It is clear that the FERC will play an important role in the transformation of Nevada's regulated retail markets to markets that rely upon competitive forces. The Commission is prepared to maintain a constructive working relationship with the FERC to assure the development of a vigorously competitive electric market for all within Nevada.

Likewise, the state must also be prepared to participate in Congressional discussions of restructuring to assure that federal action does not negatively influence Nevada's restructuring plans. Further, because of the interconnected nature of the electric transmission grid, the state must be prepared to work with other states within the western region to assure the continued reliability of the electric system.



***NEVADA POWER COMPANY AND SIERRA PACIFIC RESOURCES
FILE MERGER APPLICATION***
Docket No. 98-7023

On July 7, 1998, the companies filed a joint merger application with the Commission, wherein they proposed selling their generating plants. The companies also stated in the filing that capital raised by the sale will be reinvested primarily in new transmission and distribution facilities to serve the growing energy needs of Nevada. The merger was consummated on July 28, 1999, after receiving approval from the Commission, common stockholders of both companies as well as other federal and state regulatory agencies, the FERC, the Securities and Exchange Commission and the Department of Justice. Following consummation of the merger, Sierra Pacific Resources (SPR) became the holding company for Nevada Power Company (NPC) and Sierra Pacific Power Company (SPPC) and other subsidiaries.

GENERATION DIVESTITURE

Included in Docket No. 98-7023

NPC and SPPC proposed to divest their generation assets to facilitate competition and reduce some generation market power issues. The divestiture process requires regulatory approvals from this Commission, the FERC, as well as other federal and state regulatory agencies. In April 1999, the Divestiture Plan was filed with the Commission, and a Revised Divestiture Plan was filed in November. In December 1999, the Commission received a partial party settlement on the Revised Divestiture Plan. A stipulation regarding the Revised Divestiture Plan was approved by the Commission, subject to certain conditions. Public auction of approximately 2,900 megawatts (MW) of power generating facilities began in March 2000 and is expected to be completed in early 2001. NPC is auctioning four generation asset bundles in the south: Clark, Sunrise, Reid Gardner and Harry Allen. SPPC is auctioning three generation asset bundles in the north: Valmey, Fort Churchill and Tracy, and Pinion Pine.

When entering into the agreements to sell the power generating facilities, NPC and SPPC also negotiated Transfer Purchased Power Contracts (TPPC) whereby the companies will be guaranteed power at set prices until March 2003.

ACQUISITION OF PORTLAND GENERAL ELECTRIC

Docket No. 00-1011

Sierra Pacific Resources announced on November 8, 1999, that it had entered into an agreement with Enron Corporation to purchase Portland General Electric Company, an electric utility subsidiary of Enron, which serves northwest Oregon. The Commission, on February 23, 2000, ruled that it did not have jurisdiction to review SPR's proposed acquisition of Portland General Electric. The acquisition must, however, be approved by the Oregon Public Utilities Commission, the Securities and Exchange Commission, the FERC and the Department of Justice/Federal Trade Commission. The proposed transaction is expected to be completed in late 2000.

COMPANIES FILE LAWSUITS

In March 2000, SPR, SPPC and NPC filed in United States District Court a civil case challenging the constitutionality of Nevada's electric restructuring legislation.

This lawsuit was in addition to a filing in March 1999 wherein NPC and SPPC sought to use their existing names and logos in the competitive marketplace, as well as lawsuits filed by NPC in April and May 1999 and March 2000, which challenged the Commission's decision concerning deferred energy accounting. In April 2000, NPC filed a motion in Nevada State District Court in Carson City to enjoin an Order by the Commission to lower the utility's electricity rates in southern Nevada. These lawsuits were later withdrawn as part of the global settlement agreement (see below).

COMMISSION APPROVES GLOBAL SETTLEMENT AGREEMENT

On July 20 and August 3, 2000, the Commission approved a series of stipulations and agreements - "global settlement agreement" - which protects consumers from the volatile price spikes experienced in the California market and ensures the financial viability of Nevada's power companies. The agreement was reached through negotiations among the Regulatory Operations Staff of the Commission, the Consumer Advocate, customer groups and the power companies. The global settlement agreement resolved many issues surrounding electric restructuring, including concerns regarding the establishment and funding of a Regional Transmission Organization (RTO) that is necessary to open the market. The companies also agreed to withdraw lawsuits regarding the constitutionality of Nevada's restructuring law, deferred energy cases and affiliate rules surrounding the existing use of names and logos.



Natural Gas

Natural gas utilities currently sit astride the competitive/noncompetitive fence. Large customers are already enjoying the benefits of competition in securing natural gas suppliers within the state while small commercial and residential customers of the natural gas local distribution companies (LDC) are still required to take natural gas from the LDC through a rate-based regulatory regime. With the experiences already gained in the competitive markets, natural gas utilities are poised to move quickly toward increased reliance on competition.

Chapters 482 and 600 of the 1997 and 1999 Legislatures, respectively, gave broad latitude to the Commission to develop alternative regulations for the provision of natural gas services deemed to be competitive, potentially competitive or discretionary. Legislation also requires the licensing of alternative sellers of natural gas services and set forth requirements for default commodity services. The goal is to allow competition to discipline the market where it can effectively do so and to continue regulation of those areas of service best provided through monopolies.

COMMISSION APPROVES SERVICE LINES WAIVER FOR WENDOVER GAS COMPANY

Docket No. 98-5024

In July 1998, the Commission issued an Order granting a waiver from the requirement in Title 49, Code of Federal Regulations (CFR), § 192.3 for the Wendover Gas Company. This federal regulation, which was adopted in Nevada by the Commission in NAC 704.460, defines a buried gas line serving more than one single family dwelling as a "main." Main lines are subject to more stringent operations, maintenance, inspection, testing and reporting obligations than service lines.

On May 26, 1998, a petition for waiver was filed by Wendover Gas Company for permission to construct dual service lines and for the treatment of such lines as service lines and not mains. In its petition for a waiver, Wendover Gas Company stated that two separate customer meters could be fed by a single service line with dual service taps at the end. The installation of one service line, rather than two, will cause

significant savings in the costs of materials, labor and asphalt cutting and repair, thus saving the utility and its customers considerable expense.

The Commission had previously issued waivers in similar situations to Southwest Gas Corporation and Sierra Pacific Power Company, and such waivers are common in the industry. In addition to approval from the Commission, Wendover Gas Company needed approval from the U.S. Department of Transportation Office of Pipeline Safety.

1998 SOUTHWEST GAS RATE REDUCTION

Docket No. 98-6007

In October 1998, the Commission approved a stipulation between the Regulatory Operations Staff of the Commission and Southwest Gas to decrease annual revenues for Southwest Gas by \$3,782,022. The decrease for the Southern Nevada Division was \$3,000,000, or 1.9 percent. The decrease for the Northern Nevada Division was \$782,022, or 1.4 percent. The typical residential customer in southern Nevada saved 99 cents monthly on their 1998-1999 winter bill and the typical residential customer in northern Nevada saved \$1.11 monthly on their 1998-1999 winter bill.

The rate reduction was based upon the June 1998 filing by Southwest Gas of its annual Purchased Gas Cost Adjustment (PGA) to adjust rates to reflect changes in the cost of purchased gas. In its filing, Southwest Gas stated that the combined effect of changes to the average cost of purchased gas and the Gas Cost Balancing Account Adjustment would result in an annual revenue increase of \$2,910,611, or 1.81 percent, in the Southern Nevada Division and \$419,602, or 0.75 percent, in the Northern Nevada Division. Southwest Gas had proposed that rates remain unchanged due to the relatively minor rate adjustments that would result from a strict application of the terms of the PGA.

After review of the PGA filing by the Regulatory Operations Staff of the Commission, Southwest Gas and the Regulatory Operations Staff of the Commission agreed that there was good cause to permit a deviation from the PGA in order to decrease annual revenues.

 Southwest Gas Revenues

1999 SOUTHWEST GAS RATE REDUCTION

Docket No. 99-5046

In October 1999, the Commission approved a stipulation to decrease annual revenues for Southwest Gas by \$24.8 million. The decrease for the Southern Nevada Division was \$20.9 million, or approximately 12.4 percent. The decrease for the Northern Nevada Division was \$3.9 million, or approximately 6.4 percent. The rate reduction was based upon the May 1999 filing by Southwest Gas of its annual Purchased Gas Cost Adjustment (PGA) to adjust rates to reflect changes in the cost of purchased gas.

1997 AND 1998 REFUNDS FOR GAS CUSTOMERS OF WESTPAC UTILITIES

In 1997, the Commission approved a Stipulated Rate Plan for Sierra Pacific Power Company to share earnings in excess of 12.0 percent return on common equity equally between shareholders and ratepayers for both its electric division and its gas division, Westpac Utilities. The Stipulated Rate Plan applied to the three calendar years between January 1, 1997 and January 1, 2000.

Docket No. 98-4062

In April 1998, Westpac Utilities filed a request to refund \$1.694 million to its gas customers based on calendar year 1997 results of operations. After conducting hearings, the Commission ordered in April 1999 a refund of \$1,475,270 based on 1997 results of operations. Typical residential gas customers of Westpac Utilities received a credit of approximately \$8.85 in their May 1999 bill.

Docket No. 99-4060

In April 1999, Westpac Utilities filed a request to refund \$1.889 million to its gas customers based on calendar year 1998 results of operations. In August 1999, the Commission approved a stipulation to refund \$1.930 million based on 1998 results of operations. Typical residential gas customers of Westpac Utilities received a credit of approximately \$11.40 in their September 1999 bill.

PROPOSED MERGER OF SOUTHWEST GAS AND ONEOK

Docket No. 99-5046

In July 1999, the Commission approved a stipulation for a plan of merger of Southwest Gas Corporation and ONEOK, Inc. In addition to the two applicants, the parties to the stipulation were the Regulatory Operations Staff of the Commission and the Utility Consumers' Advocate (UCA) of the Attorney General's Office. The stipulation provided for:

- ONEOK and Southwest Gas agreed to record all acquisition costs associated with the merger, including the acquisition premium and transaction and transition costs, below the line for regulatory purposes with respect to Nevada jurisdictional operations, and Southwest Gas/ONEOK will not attempt in any future Nevada regulatory proceeding to recover any such costs through rates charged to Nevada jurisdictional ratepayers.
- ONEOK and Southwest Gas will work with the Regulatory Operations Staff of the Commission and the UCA to develop a plan to provide the Regulatory Operations Staff of the Commission and the UCA accounting records electronically on a routine basis.
- ONEOK and Southwest Gas agree to work with the Regulatory Operations Staff of the Commission to develop performance standards, including, but not limited to emergency and non-emergency response times and turn-on / turn-off scheduling and completion times.
- Within 60 days following the consummation of the merger, ONEOK and Southwest Gas will file with the PUC for its approval a risk-based plan to replace PVC main and service pipe within its Nevada service territories. Said plan will identify timeframes for replacement of PVC pipe.
- ONEOK and Southwest Gas acknowledge and agree that the provision of natural gas as a commodity is a potentially competitive service and shall file, no later than July 1, 2000, a tariff to provide the opportunity for all customers to obtain natural gas from suppliers or licensed alternative

sellers.

In January 2000, ONEOK terminated its planned merger with Southwest Gas.



Telecommunications

The federal Telecommunications Act of 1996 (Act) assigned a number of specific responsibilities to state regulatory commissions, which are necessary to open local telecommunications markets to competition while advancing the longstanding public policy goal of universal service. The Act has created a certain amount of tension in this transition to competition; however, this is easily attributable to higher federal standards for universal service (i.e., higher costs), as well as the elimination of historic implicit subsidies between classes of customers. Further, the potential for new interstate disagreements has been exacerbated by proposed federal universal service funding formulas which would result in “low cost states” (highly urbanized states including Nevada) transferring payments to “high-cost states” (rural, primarily western states) to meet federal universal service requirements.

Despite these emerging issues, however, the process of introducing competition at the local level continues. The Commission has reviewed and approved negotiated interconnection agreements and arbitrated agreements that could not be resolved through negotiation. These agreements are the precursors of any local competition. Standards and criteria for the development of cost-based rates for interconnection, as well as unbundled network elements and wholesale rates are continuing to be reviewed and refined.

Pursuant to legislative directives contained in Chapter 482, as well as the Act, the Commission had adopted regulations to provide for state funding of discounted rates for intrastate telecommunications services for low-income consumers, schools and libraries, and rural health care providers, to the extent that sufficient funding from federal sources is unavailable. Further, as part of its universal service obligations under the Act, the Commission has also designated telecommunications carriers eligible to receive federal universal service funds in the service areas in which such carriers must offer universal services.

Implementation of the universal service goals of the Act to ensure that telecommunications services, to include advance services, are available to consumers in rural areas at rates comparable to rates in urban areas, is also moving forward.

However, the federal hallmark of true competition, the entry of regional Bell operating companies into long distance markets, is yet to come. Under the Act, the Bell operating companies must demonstrate that their local markets are open to competition before they can be authorized to compete in long distance markets. The Commission will continue in its efforts to assure the existence of an environment conducive to the development of effective competition in both the local and long distance markets. The Commission has completed an investigation into performance standards applicable to Incumbent Local Exchange Carriers (ILECs) regarding their provision of service to Competitive Local Exchange Carriers (CLECs). The goal of this investigation is to develop performance criteria which will ensure that ILECs provide service to their competitors at a level which is at parity with the level of service the ILECs provide to their retail customers in order to facilitate competition in the local markets, which is an ongoing process.

NEVADA BELL RURAL IMPROVEMENT PROGRAM

Docket No. 97-4034

In June 1998, the Commission approved a stipulation to allocate funding for eight Rural Improvement Projects (RIP) in Nevada Bell’s service territory. In addition to Nevada Bell, the other parties to the stipulation were the Regulatory Operations Staff of the Commission and the Utility Consumer’s Advocate of the Attorney General’s Office. The stipulation provided for:

- The estimated cost to complete the eight projects is \$5.4 million. The total amount of the remaining RIP fund is \$5.3 million. Nevada Bell will commit another \$100,000 to complete the projects.
- The eight projects will be completed no later than December 31, 2001.
- In the event that the eight projects do not require the entire \$5.4 million, any remaining funds will be transferred to the Rural Infrastructure Fund (RIF).
- Nevada Bell will commit an additional \$4.3 million to complete RIF projects.
- Nevada Bell will not include capital investment and depreciation expenses for the RIP or the RIF.

In February 1999, the Commission approved a subsequent stipulation between the parties. After conducting numerous outreach workshops throughout rural Nevada, the parties reached consensus as to the allocation of the \$4.3 million RIF. Nevada Bell agreed to complete the RIF projects no later than December 31, 2001. The stipulation allocated the \$4.3 million RIF per the following:

- \$1.3 million for line extensions for provision of basic telephone service to customers in rural Nevada.
- \$1 million to be allocated to the Nevada Commission on Educational Technology to address networking for the rural school districts and remote school site locations throughout Nevada.
- \$2 million to be allocated to various projects, including upgrades for 911 service, and T-1 (digital) connections for counties and medical facilities.

 Nevada Bell Revenues


***SPRINT AGREEMENT CONCERNING DELAY
IN PROVIDING SERVICE***

Docket No. 98-7043

In December 1998, the Commission approved a stipulation between a complainant, Sprint of Nevada and the Regulatory Operations Staff of the Commission concerning delays in providing service. Complainant had filed a complaint with the Commission in May 1998 alleging that Sprint of Nevada had not properly processed and installed his order for residential telephone service.

The stipulation outlined the significant changes Sprint implemented to keep pace with the tremendous growth in Las Vegas and the resulting requests for telecommunication services:

- Sprint implemented an outside plant facilities “margin restoration” project, which added cable to connect customers to its network, at a cost of \$18 million by year-end 1998;
 - Sprint implemented new engineering design criteria, which mandated construction of three lines per residence, rather than the standard 1.8 lines per residence used in the past;
 - Sprint implemented a new policy for construction in new subdivisions under which at least one physical cable pair will be reserved for each residence. Thus, each residence will receive one line before any residence receives more than one line;
 - Sprint implemented a new program under which Sprint will provide a wireless telephone to any customer whose primary residential service is not installed by the scheduled installation date. In addition, Sprint will remote call forward calls from these customers’ primary telephone numbers, to their wireless telephones, at no additional cost to the customer;
 - Sprint invested capital of \$186 million in 1998 in its southern Nevada network to enable the company to provide services that meet the pace of growth in its service area.
-

 Sprint Revenues

***UNBUNDLED NETWORK ELEMENT COST STUDIES
FOR NEVADA BELL
Docket No. 98-6004***

In May 1999, the Commission issued an order on the Unbundled Network Element (UNE) Cost Study for Nevada Bell. (See discussion of Sprint’s UNE Cost Study for a legislative history and economic reasoning below.) The Commission determined costs for the following: cost of the loop, cost of switching, and nonrecurring costs.

Cost of the Loop - The following factors were used in determining the cost of the loop:

- Outside Plant Placement Costs and Structure Sharing - Placement costs are the costs to install

outside plant facilities. The cost of placing facilities is affected by the extent to which these costs are shared with other utilities;

- Fill Rates - The fill rate is the actual usage of the network relative to its total capacity. Fill is used to calculate per unit costs;
- Four-Wire Loop;
- Cable Size/Lengths and Fiber/Copper Breakpoints;
- Capital Factors, Cost of Capital, and Depreciation - The Commission applied a weighted cost-of-capital input of 11.25%;
- Expense Factors;
- Joint, Shared, and Common Costs.

Cost of Switching - The Commission used cost structure and cost levels to determine the cost of switching.

Nonrecurring Costs - Historically, these costs are classified as costs incurred when initially establishing service for an individual customer. The Commission adopted the recommendation of the Regulatory Operations Staff for nonrecurring costs and ordered Nevada Bell to submit a new nonrecurring cost application for consideration by the Commission. The prices approved in this order only apply to arbitrated interconnection agreements.

In June 2000, the Commission voted to open a proceeding for the purpose of reconsidering the cost model used to develop Nevada Bell's unbundled network element prices in its final order. The Commission will issue a final decision on the changes, if any, to the cost model within 30 days after completing hearings.

UNBUNDLED NETWORK ELEMENT COST STUDIES FOR SPRINT OF NEVADA

Docket No. 98-6005

In July 1999, the Commission issued a modified final order on the UNE Cost Study for Sprint of Nevada. This proceeding was conducted under the Commission's statutory authority from the federal Telecommunications Act of 1996 to set prices for interconnection and unbundled network elements. Setting economically efficient prices will provide the right signal to CLECs. Most importantly, it will help them in making their decision either to construct their own network or to lease facilities from the ILEC. If the price of an unbundled network element is set too high, a CLEC may build facilities when society's scarce resources would be better employed if it had rented facilities from the ILEC. On the other hand, if the price of unbundled network elements is too low, a CLEC may rent facilities from an ILEC rather than build. This would reduce society's well-being, because the least cost supplier is not the one who is building and maintaining the network facilities. In order to maximize society's welfare, resources should be directed toward the suppliers that can construct a network at the lowest cost to society.

The analytical model in this proceeding, the Hatfield & Associates (HAI) Model, is a computer model designed or used to estimate the cost of constructing and operating the public-switched telephone network. The network is exceedingly involved and complex. It encompasses millions of access lines and hundreds of switches, interoffice transmission facilities, signaling links, and other elements. Cost models are used to sort through the complexity of that network. They help to organize it into similar elements that have similar costs and to estimate the cost of those elements.

The cost determination for the local loop was based upon an extensive review of the HAI model and the written and oral testimony of many experts. The Commission found it was appropriate to de-average loop costs into five zones. The parties agreed upon cost determinations for other UNEs by stipulation.

In June 2000, the Commission voted to reopen this proceeding for the purpose of reconsidering the cost inputs and prices it approved for Sprint's unbundled loops in its modified final Order. The Commission will issue its new final decision on the changes, if any, in the prices for Sprint's unbundled loops within 30 days after completing hearings.

STIPULATION AUTHORIZING SPRINT OF NEVADA

***TO CONTINUE PARTICIPATION IN THE PLAN OF
ALTERNATIVE REGULATION AND TO INCREASE BASIC RATES***

Docket No. 99-2024

In August 1999, the Commission approved a stipulation for an application by Sprint of Nevada to continue participation in a Plan of Alternative Regulation (PAR) and for authorization to raise prices for basic service. The following parties entered into the stipulation: Sprint, the Regulatory Operations Staff of the Commission, the Utility Consumer Advocate, and MGC Communications. The stipulation provided for price increases in basic residential service, teen talk, excellent student discount, CLEC residence, basic business services, service connection charges, and directory assistance charges. The stipulation provided for:

- Sprint to operate under this PAR through June 30, 2002, with no increases in local residential line prices (above those in the stipulation) prior to July 1, 2002;
- A one-time bill credit of \$30.60 for each local residential primary line and local business account;
- The possibility that Sprint may seek reclassification of Sprint's local residential lines as competitive prior to June 30, 2002, provided that the effective date for reclassification and of any resulting change in the prices for local residential lines is after June 30, 2002;
- The possibility that Sprint may seek reclassification of its residential non-primary lines as discretionary prior to June 30, 2002, provided that the effective date for reclassification and of any resulting price change is after June 30, 2002;
- Sprint to implement a Residential Market Entry Incentive Credit for competitive local exchange companies (CLECs) in an initial amount of \$3.65 per local residential line provisioned by a CLEC which uses Sprint's unbundled loops, with a limitation of \$2.5 million annually for all CLECs and a maximum of 36 months;
- Sprint may request (on or after July 1, 2001) that the Commission terminate Sprint's obligation to pay the Residential Market Entry Incentive Credit if market entry is sufficient to allow competition for local service to develop in southern Nevada without the credit.

***MERGER OF SBC COMMUNICATIONS
WITH AMERITECH CORPORATION***

Docket No. 99-8010

In September 1999, the Commission approved a stipulation between the Regulatory Operations Staff of the Commission and SBC Communications granting SBC authorization to acquire Ameritech Corporation. The Commission had ruled in August 1999 that the merger fell within the scope of NRS 704.329, the law which prohibits any person from directly or indirectly obtaining control of a public utility doing business in Nevada, or an entity that holds a controlling interest in such a public utility, without applying for and receiving Commission approval.

The stipulation included some of the following conditions to which SBC committed:

- Maintaining Nevada Bell's headquarters in Nevada;
- Supporting the local economy by purchasing supplies and services from local vendors where practicable;
- Confirming that the transaction will not affect obligations under its existing collective bargaining requirements;
- Reconfirming Nevada Bell's previous commitments to upgrade its network, improve quality of service and complete previously agreed upon rural improvement projects;
- Establishing that SBC will not seek recovery of its merger transaction costs from Nevada Bell customers;
- Assuring that the benefits of the Federal Communications Commission merger compliance plan will be fully realized by Nevada Bell customers; and
- Providing for Commission involvement in assuring that certain state specific mandates required by the Federal Communications Commission merger compliance plan will be implemented in a manner that will maximize competition in the residential market place in Nevada.

FUNDING FOR THE NEVADA UNIVERSAL SERVICE FUND

Docket No. 99-12037

In April 2000, the Commission issued an order approving a stipulation that set an assessment rate on intrastate telecommunications services revenues to fund the Nevada Universal Service Fund (NUSF). The assessment rate was set at 0.21 percent monthly for the remaining nine months in the year 2000. The funding levels and assessment rate for years subsequent to year 2000 will be determined through subsequent Commission proceedings.

The NUSF was established by the Commission to promote universal telephone service. The Commission defines "Universal Service" as the availability of affordable and reliable basic service to as many customers in this state as economically and operationally practicable. The NUSF is financed by an assessment, based on a percentage rate of the anticipated revenues from retail intrastate telecommunications services for all providers of telecommunications service required to cover the estimated amount to fund the NUSF.



Water and Wastewater

Tremendous challenges are presented to small water/wastewater companies today. The increasing number of regulated contaminants, and their decreasing allowable concentrations, requires water utilities to regularly invest new capital in treatment facilities. Forthcoming reductions will soon occur in the allowable limits for radon and arsenic, both pervasive in Nevada. New filtration requirements are being imposed for users of surface water. Groundwater will soon require disinfection.

New EPA monitoring requirements for allowed contaminants impose still further burdens. Recently, new programs have been developed to provide technical and financial aid to small systems. The Commission will explore ways to support small company participation in these technical training opportunities and assist them in obtaining reasonable financing for their capital investments.



Railroad / Gas Pipeline Safety

RAIL & GAS PIPELINE SAFETY PROGRAMS

The Commission's Safety Division has a Rail Safety Program and a Gas Pipeline Safety Program, which are both performed in conjunction with agencies of the U.S. Department of Transportation. Additionally, the Safety Division monitors and tracks compliance with the State's Call-Before-You-Dig statute. The Commission's oversight of this statute promotes compliance that protects the underground infrastructure on which Nevada depends for reliable utility services.

RAIL SAFETY

Pursuant to NRS 703.1545 the Commission is authorized to enter into an agreement with the U.S. Secretary of Transportation to participate in the enforcement of federal safety regulations and orders applicable to railroad equipment, facilities, rolling stock and operations in Nevada. Consequently, the Commission has entered into the State Participation Program through the Federal Railroad Administration (FRA) of the U.S. Department of Transportation.

The agreement allows and provides that the Commission shall employ FRA certified inspectors, or persons who can meet certification requirements within approximately one year, in one or more of five inspection

disciplines. The inspectors are railway safety specialists who conduct inspections in their particular disciplines, for compliance with the federal rail safety regulations found in Title 49 Code of Federal Regulations Part 200. The Commission is authorized to employ inspection personnel in the following disciplines: hazardous materials; operating practices; track; and, motive power and equipment.

Section 205 of the FRA Act of 1970 (Act) states the Congressional intent to establish a national uniformity of rail safety laws, regulations and standards. Thus, the Act prohibits states from adopting or enforcing additional or more stringent regulations except in certain cases. The Act allows states to adopt or continue to enforce any law or regulation related to railroad safety only until the subject matter is covered in a regulation or order issued by the FRA. The Act also indicates that states may adopt or enforce an additional or more stringent rule or regulation only if it meets three tests: 1) is necessary to eliminate or reduce an essentially local safety hazard; 2) is not incompatible with any law or regulation of the federal government; and, 3) is not an unreasonable burden to interstate commerce.

Although Nevada is limited in many ways from establishing rail safety regulations, the State does have some rail safety regulations contained in NAC 705, which is the subject of Docket No. 98-7004 currently before the Commission. The docket was opened in response to a requirement of Assembly Bill 366, passed by the 1997 Nevada Legislature, that the Commission initiate rulemaking to review the State rail safety regulations and amend, add or delete regulations "which the Commission determines are appropriate for the state" (NRS 703.1545, paragraph 3).

The Rail Safety Program performed inspections in the following four categories during the corresponding calendar years.

- Track Inspections
 - 1998 138 reports, 4378 units inspected, 477 defects
 - 1999 145 reports, 4915 units inspected, 218 defects

- Operation Practices - measures inconsistencies with federal and state procedures as "exceptions" and reports accordingly
 - 1998 new position / data not available
 - 1999 39 reports, 204 units/procedure inspected, 9 defects

- Hazardous Materials
 - 1998 20 reports, 113 shippers/industries/transfer points inspected, 33 defects
 - 1999 69 reports, 623 shippers/industries/transfer points inspected, 70 defects

- Motive Power & Equipment
 - 1998 55 reports, 4853 locomotive/rail cars inspected, 583 defects
 - 1999 19 reports, 2461 locomotive/rail cars inspected, 304 defects
(data collected January 1, 1999 - June 1 1999)

Staff provided advisory support to the following organizations: Operation Lifesavers, a program designed to educate the public about rail activities in their communities; Reno Trench Advisory Group, which deals with relocating rail tracks in downtown Reno; and Virginia and Truckee Railroad Technical Group in northern Nevada. Additional special projects Staff supported were the Statewide Grade-Crossing Diagnostic Review Committee and the monitoring of Indonesia's nuclear waste shipments across the State.

GAS PIPELINE SAFETY

Nevada residents continue to benefit from the pipeline safety partnership between the Commission and the

U.S. Department of Transportation's Office of Pipeline Safety. The Pipeline Safety State Grant Program administered by the Office of Pipeline Safety funds up to 50 percent of the Commission's Gas Pipeline Safety Program. The level of the reimbursement is determined after the federal allocations are completed and all state pipeline safety grant requests have been received. Over the past several years, Nevada's reimbursement has been between 43 and 46 percent.

The state Pipeline Safety Program involves the inspection of liquid propane and natural gas systems statewide. Staff engineers monitor the design, construction, operation and maintenance of the gas systems under Commission jurisdiction. Staff inspects the large local distribution companies, as well as the small master metered distribution systems found in mobile home parks, condominium complexes and other such developments, and customer-owned transmission pipelines. The Commission also acts as an agent of the U.S. Department of Transportation for the inspection and monitoring of interstate pipelines that pass through Nevada.

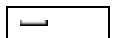
The explosive population growth and the evolution taking place in restructuring the electric industry in Nevada have led to a significant expansion in the State's gas infrastructure. The oversight, inspection and investigation of gas system operators by the Commission's Staff have provided Nevadans with a high level of safety during these past several years of rapid and unprecedented growth.

Tabulated below are the number of field-man days the Division spent on annual operation and maintenance audits, construction inspection and days spent investigating pipeline accidents and incidents for the past biennium. Inspections were made of interstate transmission lines and liquefied natural gas facilities, intrastate private transmission lines, private distribution systems and direct sale pipelines, master meter systems and liquid propane distribution systems. The inspection man-days are placed into the following categories:

	<u>1998</u>	<u>1999</u>
Annual Operations and Maintenance Audits	58	26
Construction Field Days	112	96
Incident/Accident Field Days	18	8

UNDERGROUND DAMAGE PREVENTION

The Commission continues its efforts to promote and encourage use of the State's One-Call program, and compliance with NRS 455, the State's Call-Before-You-Dig statute. Staff receives notices of potential violations and maintains a database including the details of each event. With this monitoring, the Commission can develop a history of excavators involved in damages and identify repeat offenders. The Commission will take steps to promote compliance and reduce facility damages. These proactive steps include warning letters, focused excavator training and advice on compliance and the law's requirements, and, if necessary, additional sanctions. The largest civil penalty to date for a violation is \$5,000.



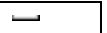
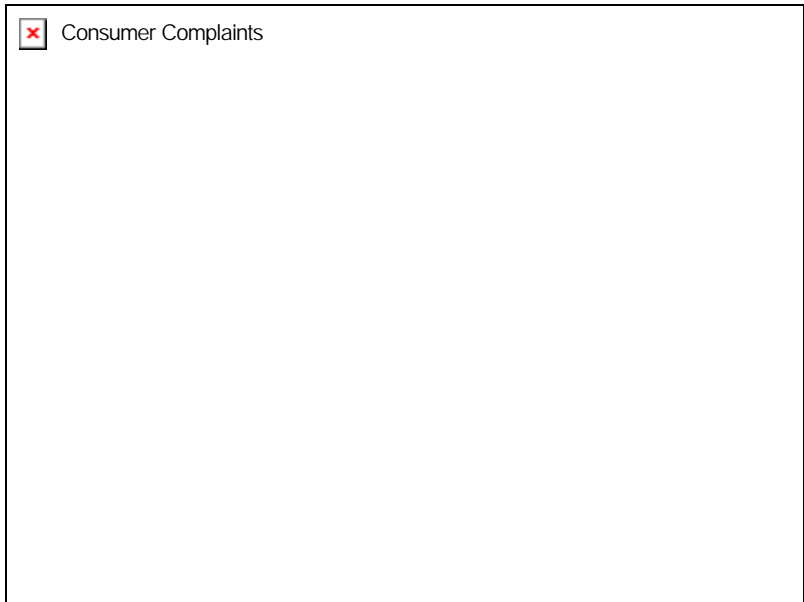
Consumer Complaint Resolution

In fulfilling its obligation to the Nevada Statutes and to the citizens of the State, the Consumer Complaint Resolution Division continues to play a vital role in the Commission's operations. As utilities enter a competitive marketplace and the population of Nevada continues to grow, the division is challenged daily by an increase in consumer inquiries.

The Division's Consumer Service Representatives investigated an average of 4,000 complaints during each year of the biennium. Complaints against telecommunications companies constituted almost two-thirds of

those disputes. Frequent sources of complaints included unauthorized switching of long distance providers, unauthorized fees and charges on local telephone company bills, delayed service installations and disputed charges related to internet use.

Inquiries about small water companies, master metered mobile home parks and electric restructuring of the electric industry also contribute to the workload of the Division's representatives based in Carson City, Las Vegas and Elko (the Elko office was added after the Commission's reorganization in mid-2000).



Commission Proceedings



Proceedings Undertaken by the Commission - July 1998 through June 2000

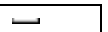
Docket	Company	Filing Type	Last Hearing Date Scheduled
95-2033	Public Service Commission	Commission Rulemaking	01/29/99
95-8021	Verdi Meadows Utility Company	Staff Report Pursuant to NAC	03/17/99
95-12025	Washoe County Emergency Mgmt	Petition/Advisory Opinion Declaratory	11/12/99
96-12002	Public Service Commission	Commission Rulemaking	12/16/98
97-5034	Southern Nevada Action Coalition	233B Rulemaking Petition	12/04/98
97-8002	Public Service Commission	Commission Inquiry	06/02/99
97-9022	Public Utilities Commission of Nevada	Commission Inquiry	04/13/99
97-11018	Sierra Pacific Power Company	Alternative Rates Filing	07/30/98
97-11028	Nevada Power Company	Alternative Rates Filing	07/30/98

97-11034	City of Winnemucca	Railroad Crossing	06/19/00
97-12012	Steamboat Springs Water Works, Inc.	Application to Amend Certificate	09/01/98
97-12046	Nevada Bell	Avoided Cost Filing	05/19/99
97-12047	Central Telephone Company-Nevada	Avoided Cost Filing	05/20/99
98-3014	Central Nevada Utilities Company	Application to Amend Certificate	06/01/99
98-4041	Public Utilities Commission of Nevada	Commission Inquiry	09/22/99
98-4042	Public Utilities Commission of Nevada	Commission Inquiry	09/22/99
98-4048	Oasis At Shangri-La	Subdivision Clearance	06/14/99
98-4062	Sierra Pacific Power Company	Application for Tariff Approval	03/04/99
98-4063	Sierra Pacific Power Company	Application for Tariff Approval	03/04/99
98-5001	Public Utilities Commission of Nevada	Commission Rulemaking	09/11/98
98-5016	Nevada Power Company	Application for Tariff Approval	06/03/99
98-6004	Nevada Bell	UNE Cost Studies	09/11/98
98-6005	Central Telephone Company-Nevada	UNE Cost Studies	03/25/99
98-6018	Central Telephone Company-Nevada	Formal Complaint	07/14/99
98-6021	Public Utilities Commission of Nevada	Commission Rulemaking	12/15/98
98-7005	Humboldt Telephone Company	Application: Universal Services	05/12/00
98-7023	Sierra Pacific Resources	Application for Merger	02/09/00
98-7035	Nevada Power Company	Deferred Energy Filing	02/11/99
98-8017	Sierra Pacific Power Company	Petition/Advisory Opinion Declaratory	05/11/99
98-8035	Nevada Bell	Section 252 of the Telecommunications Act	10/28/98
98-8042	Central Telephone Company-Nevada	Application for Tariff Approval	03/03/99
98-9014	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	11/04/98
98-9019	Meadows Mobile Home Park	Mobile Home Park Repairs	03/24/99
98-9020	Nevada Power Company	233B Rulemaking Petition	01/06/99
98-9021	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	11/04/98
98-9033	Nevada Bell	Section 252 of the Telecommunications Act	12/02/98
98-9041	City of Boulder City	Application: Competitive Provider of Telecomm.	01/25/99
98-9043	Nevada Bell	Section 252 of the Telecommunications Act	12/02/98
98-10001	Nevada Bell	Formal Complaint	07/23/99
98-10003	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	12/10/98
98-10004	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	12/10/98
98-10005	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	12/10/98
98-10006	GTE Corporation	Application for Merger	03/10/99
98-10010	Nevada Bell	Section 252 of the Telecommunications Act	12/11/98
98-10011	Sierra Pacific Power Company	Formal Complaint	07/07/99
98-10015	Pac-West Telecomm, Inc.	Petition for Arbitration	02/10/99
98-10030	Verdi Meadows Utility Company	Order to Show Cause	02/24/99
98-11010	AT&T Communications of Nevada, Inc.	Petition for Affirmative Relief	03/22/99
98-12002	Nevada Bell	Section 252 of the Telecommunications Act	02/02/99
98-12007	Sierra Pacific Power Company	Electric Competitive Services	07/07/99
98-12009	Nevada Power Company	Electric Competitive Services	07/07/99
98-12010	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	02/02/99
98-12011	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	02/02/99
98-12012	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	02/02/99
98-12015	Sierra Pacific Power Company	Petition for Affirmative Relief	06/15/99
98-12021	Sierra Pacific Power Copmany	Avoided Cost Filing	05/10/99
98-12024	GTE California Incorporated	Section 252 of the Telecommunications Act	02/03/99
98-12025	GTE California Incorporated	Section 252 of the Telecommunications Act	02/03/99
98-12039	Sierra Pacific Power Company	Petition-General	09/16/99
99-1001	Silver Lake Water Company	Application to Transfer Certificate	06/09/99
99-1007	Advanced Telcom Group, Inc.	Petition for Arbitration	02/10/99

99-1013	Ameritech Communications International, Inc.	Petition to Cancel Certificate	04/05/99
99-1022	Citizens Telecommunications Company of Nevada	Petition/Advisory Opinion Declaratory	05/25/99
99-1028	Central Telephone Company of Nevada	Application to Classify A Service	04/07/99
99-2001	Southwest Gas Corporation	Application for Tariff Approval	05/18/99
99-2002	Central Telephone Company of Nevada	Application for Tariff Approval	05/19/99
99-2008	Sierra Pacific Power Company	Application for Tariff Approval	07/06/99
99-2009	Nevada Power Company	Application for Tariff Approval	07/13/99
99-2010	Nevada Bell	Section 252 of the Telecommunications Act	04/09/99
99-2020	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	04/19/99
99-2022	Citizens Telecommunications Company of Nevada	Section 252 of the Telecommunications Act	04/20/99
99-2024	Central Telephone Company of Nevada	Alternative Rates Filing	08/16/99
99-2026	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	04/21/99
99-2032	Southwest Gas Corporation	Application for Merger	05/27/99
99-3005	Churchill County	Railroad Crossing	10/21/99
99-3010	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	05/21/99
99-3024	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	05/18/99
99-3025	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	05/17/99
99-3027	GTE California Incorporated	Section 252 of the Telecommunications Act	05/21/99
99-3028	Sky Ranch Utility Company	Application to Transfer Certificate	07/07/99
99-4001	Sierra Pacific Power Company	Electric Competitive Services	11/22/99
99-4002	Sierra Pacific Power Company	Application to Amend Depreciation Rates	07/26/99
99-4005	Nevada Power Company	Electric Competitive Services	03/29/00
99-4015	Staff of the Public Utilities Commission	Electric Competitive Services	05/07/99
99-4017	Nevada Department of Transportation	Railroad Crossing	07/12/99
99-4019	Utility.com, Inc.	Application: Alternative Seller Lic.	07/15/99
99-4020	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	06/15/99
99-4026	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	07/12/99
99-4027	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	06/18/99
99-4030	Staff of the Public Utilities Commission	Order to Show Cause	08/24/99
99-4031	Staff of the Public Utilities Commission	Order to Show Cause	09/01/99
99-4044	Nevada Bell	Section 252 of the Telecommunications Act	06/21/99
99-4049	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	07/07/99
99-4050	Nevada Bell	Section 252 of the Telecommunications Act	06/22/99
99-4056	Nevada Bell	Section 252 of the Telecommunications Act	07/06/99
99-4060	Sierra Pacific Power Company	Application for Tariff Approval	08/25/99
99-4061	Sierra Pacific Power Company	Application for Tariff Approval	08/26/99
99-4062	Central Telephone Company of Nevada	Section 252 of the Telecommunications Act	07/19/99
99-5001	Central Telephone Company of Nevada	Application for Tariff Approval	07/12/99
99-5030	Sierra Pacific Power Company	Application for Tariff Approval	10/15/99
99-5033	Nevada Bell	Section 252 of the Telecommunications Act	07/21/99
99-5040	Nevada Bell	Section 252 of the Telecommunications Act	07/30/99
99-5045	Nevada Bell	Section 252 of the Telecommunications Act	07/16/99
99-5046	Southwest Gas Corporation	Purchased Gas Adjustment Clause Filing	09/27/99
99-6007	Nevada Bell	Section 252 of the Telecommunications Act	08/02/99
99-6013	Nevada Bell	Section 252 of the Telecommunications Act	08/03/99
99-6036	Sierra Pacific Power Company	Application for Tariff Approval	10/12/99
99-7003	Humboldt Telephone Company	Application: Universal Services Funding	05/12/00
99-7006	Nevada Bell	Section 252 of the Telecommunications Act	08/26/99
99-7007	Nevada Power Company	Application for Tariff Approval	10/07/99
99-7028	Staff of the Public Utilities Commission	Order to Show Cause	01/04/00
99-7035	Nevada Power Company	Deferred Energy Filing	03/20/00

99-7041	Citizens Telecommunications Company of Nevada	Section 252 of the Telecommunications Act	09/24/99
99-8002	Nevada Bell	Section 252 of the Telecommunications Act	09/24/99
99-8010	SBC Communications, Inc.	Application for Merger	08/24/99
99-8012	DukeSolutions Inc.	Application: Alternative Seller Lic.	11/12/99
99-8013	DukeSolutions Inc.	Application: Alternative Seller Lic.	11/12/99
99-8020	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	09/24/99
99-8023	Verdi Meadows Utility Company	Consumer Complaint	01/05/00
99-8024	Enron Energy Services, Inc.	Application: Alternative Seller Lic.	11/12/99
99-8027	Airport Authority of Washoe County	Petition/Advisory Opinion Declaratory	02/07/00
99-8031	Sierra Pacific Energy Company	Application: Alternative Seller Lic.	12/13/99
99-8039	Coral Power, L.L.C.	Application: Alternative Seller Lic.	12/16/99
99-8040	Avistar, Inc.	Application: Alternative Seller Lic.	12/06/99
99-9001	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	10/29/99
99-9004	AT&T Communications of Nevada, Inc.	Petition-General	11/12/99
99-9007	Nevada Bell	Section 252 of the Telecommunications Act	10/11/99
99-9008	Amargosa Estates Water Corporation	Application for Certificate	03/07/00
99-9017	Nevada Bell	Cost Study	01/24/00
99-9023	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	11/12/99
99-9024	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	11/12/99
99-9026	GTE California Incorporated	Application for Tariff Approval	01/26/00
99-9037	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	12/03/99
99-9041	Panaca Power and Light Company	Petition to Cancel Certificate	02/16/00
99-10001	Southwest Gas Corporation	Application to Amend Rates	04/10/00
99-10002	Central Telephone Company-Nevada	Application to Classify A Service	02/25/00
99-10008	Nevada Bell	Section 252 of the Telecommunications Act	12/02/99
99-10009	SBC Advanced Solutions, Inc.	Application: Competitive Provider of Telecommunications	03/23/00
99-10011	Nevada Power Company	Application for Contract Approval	01/18/00
99-10030	GTE California Incorporated	Section 252 of the Telecommunications Act	12/10/99
99-10034	Starlite Mobile Home Park	Consumer Complaint	03/09/00
99-10041	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	12/17/99
99-10043	GTE California Incorporated	Application for Tariff Approval	01/26/00
99-10049	Manufactured Home Community Owners Association	Petition/Advisory Opinion Declaratory	02/23/00
99-11004	Nevada Telephone, Inc.	Application for Tariff Approval	03/17/00
99-11006	GTE California Incorporated	Section 252 of the Telecommunications Act	01/10/00
99-11007	GTE California Incorporated	Section 252 of the Telecommunications Act	01/11/00
99-11008	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	01/12/00
99-11009	Staff of the Public Utilities Commission	233B Rulemaking Petition	02/29/00
99-11016	Idaho Power Company	Application: Alternative Seller Lic.	05/23/00
99-11017	Idaho Power Company	Electric Competitive Services	05/23/00
99-11026	GTE California Incorporated	Section 252 of the Telecommunications Act	01/13/00
99-11029	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	01/14/00
99-11034	Nevada Bell	Section 252 of the Telecommunications Act	01/14/00
99-11041	GTE California Incorporated	Section 252 of the Telecommunications Act	01/14/00
99-11046	Sierra Pacific Power Company	Petition/Advisory Opinion Declaratory	04/11/00
99-11047	Nevada Bell	Section 252 of the Telecommunications Act	01/18/00
99-11048	Nevada Bell	Section 252 of the Telecommunications Act	01/19/00
99-12003	GTE California Incorporated	Section 252 of the Telecommunications Act	01/20/00
99-12004	Nevada Bell	Section 252 of the Telecommunications Act	02/01/00
99-12009	Sierra Pacific Power Company	Formal Complaint	01/31/00
99-12011	Sierra Pacific Power Company	Application to Amend Certificate	04/07/00
99-12012	Nevada Bell	Section 252 of the Telecommunications Act	01/28/00

99-12013	Nevada Bell	Section 252 of the Telecommunications Act	01/28/00
99-12018	Nevada Bell	Section 252 of the Telecommunications Act	02/02/00
99-12019	Nevada Bell	Section 252 of the Telecommunications Act	02/03/00
99-12020	Nevada Bell	Section 252 of the Telecommunications Act	01/28/00
99-12021	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	01/31/00
99-12029	MCI WorldCom, Inc.	Application for Merger	05/31/00
99-12037	National Exchange Carrier Association, Assessment	Universal Service Report	04/14/00
99-12041	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	02/09/00
99-12042	Sierra Pacific Power Company	Petition-General	06/05/00
99-12043	CHPC, Inc.	Application: Alternative Seller Lic.	05/04/00
99-12044	PowerSource Corp.	Application: Alternative Seller Lic.	05/02/00
99-12046	Nevada Power Company	Application for Tariff Approval	04/26/00
99-12048	Ormat Nevada, Inc.	Application: Alternative Seller Lic.	04/20/00
99-12050	GTE California Incorporated	Section 252 of the Telecommunications Act	02/22/00
99-12052	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	02/25/00
00-1003	Nevada Bell	Section 252 of the Telecommunications Act	02/25/00
00-1006	Nevada Bell	Section 252 of the Telecommunications Act	03/08/00
00-1007	Nevada Bell	Section 252 of the Telecommunications Act	03/10/00
00-1009	Sierra Pacific Power Company	Compliance Filing	03/17/00
00-1012	Nevada Bell	Section 252 of the Telecommunications Act	03/13/00
00-1018	Value -Added Communications, Inc.	Application: Competitive Provider of Telecommunications	04/14/00
00-1030	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	03/31/00
00-1035	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	04/03/00
00-2002	Idaho Power Company	Application to Transfer Certificate	05/23/00
00-2007	Autotel	Petition for Arbitration	03/03/00
00-2019	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	04/07/00
00-2023	C3 Communications, Inc.	Application: Alternative Seller Lic.	06/07/00
00-2024	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	04/25/00
00-2027	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	04/21/00
00-2028	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	05/01/00
00-2031	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	04/21/00
00-2034	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	04/21/00
00-2035	Central Telephone Company-Nevada	Section 252 of the Telecommunications Act	04/21/00
00-2032	Sierra Pacific Power Company	Resource Plan Filing	05/04/00
00-3001	Summerset Services, LLC	Application: Competitive Provider of Telecommunications	06/23/00
00-3008	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	05/15/00
00-3009	Nevada Bell	Section 252 of the Telecommunications Act	05/16/00
00-3014	Central Telephone Company	Section 252 of the Telecommunications Act	05/16/00
00-3020	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	05/19/00
00-3024	Central Telephone Company	Section 252 of the Telecommunications Act	05/30/00
00-4003	GTE California Incorporated	Section 252 of the Telecommunications Act	06/02/00
00-4009	Nevada Bell Telephone Company	Section 252 of the Telecommunications Act	06/09/00
00-4022	Nevada Division of Central Telephone	Section 252 of the Telecommunications Act	06/23/00
00-4024	Nevada Division of Central Telephone	Section 252 of the Telecommunications Act	06/30/00
00-4027	GTE California Incorporated	Section 252 of the Telecommunications Act	06/30/00



In August 2000, the Commission approved a plan to modify the organizational structure of the agency which went into effect October 1, 2000. The plan was designed to: 1) establish a clear focal point of leadership for staff; 2) enhance communication with stakeholders and within the Commission; 3) enhance the performance of staff; and 4) streamline the organizational structure to meet the demands of the dynamic and ever-changing utility industry.

As a result of the plan's approval, the Commission has increased internal efficiency and customer service. The new organizational chart reflects the following changes within the agency.

- All market restructuring activities were combined into a single division called Resource and Market Analysis. Division responsibilities include forecasting electric load and capacity; restructuring of electric, natural gas and telephone markets; monitoring markets for anticompetitive behaviors; and evaluating new regulatory approaches such as performance based rate making.
- The division of Tariffs and Compliance was created to handle rate case type filings for electric, natural gas, telephone, sewer and water; and tariff changes, license and certificate applications, electric and gas adjustment mechanisms, and mobile home park filings.
- All activities related to safety and reliability were combined into a single division called Safety and Quality Assurance. Division responsibilities include gas pipeline safety; railroad safety; and electric and water companies.
- The creation of the Division of Policy Analysis, staffed by those with technical expertise in economics, engineering, finance, accounting and related regulatory fields. This Division addresses the increasingly complex regulatory issues the Commission addresses.
- The newly adopted re-organization changed the name of the Consumer Outreach Division to Public Affairs and Consumer Education Division. The division name more accurately reflects the responsibilities of this Division, which include providing the public, media, financial community and other groups with information regarding Commission activities and educating consumers about their rights and responsibilities in a competitive utility marketplace.

