

# Petition aims to block some NV Energy rate increases

By Cy Ryan, Las Vegas Sun

CARSON CITY – The state Bureau of Consumer Protection wants the rules changed to head off some future rate hikes by NV Energy, which announced last week its profits nearly doubled in 2012.



The bureau petitioned the state Public Utilities Commission on Monday to require the utility to reveal if it made excessive profits when filing for more revenue due to lost sales.

“We are asking the commission to require NV Energy to make a showing as to whether they are earning more than authorized,” said Dan Jacobsen, technical staff manager for the consumer bureau.

NV Energy was granted an application by the PUC last year to impose a near \$10 million rate surcharge to make up for revenue lost by conservation measures by customers. NV Energy, which serves 2.4 million customers in Northern and Southern Nevada, maintains that the law entitles it to make up for such reduced revenue.

Karl Walquist of NV Energy said he has not seen the newly filed petition and would not comment. But he added the company files a quarterly public report listing the finances of the utility.

In its latest announcement, NV Energy reported it earned a net income of \$322 million, up from \$163.4 million from 2011.

Jacobsen said, "Consumers should not be required to provide lost sales compensation if the company is earning more than the commission authorized at the most recent rate case."

The utility said a rate increase of \$158.6 million effective in January 2012 was a factor in the improved earnings. And the unusually hot weather in Southern Nevada aided the earnings and cash flow last year.

Michael Saunders, senior deputy attorney general who drafted the petition for the consumer bureau, said the quarterly information released by NV Energy does not reveal if the company earned a profit that exceeded the rate approved by the PUC.

He asked the PUC to enact a rule to require the power companies to submit this profit data when they seek to impose a surcharge for lost sales.

NV Energy has also introduced a bill in the state Senate to extend from three years to five years the time when it is required to file a general rate increase. The consumer bureau has opposed the measure arguing it would allow the companies to possibly keep excess profits longer.

Chairman Kelvin Atkinson of the Senate Commerce, Labor and Energy Committee said Monday that bill, SB93, has been put on hold at the request of NV Energy. A hearing scheduled for last week was canceled.

Atkinson, D-North Las Vegas, said the company informed him it wanted to "work out some of the difference" with opponents.

In light of the announcement of higher earnings by NV Energy, Atkinson said, "I don't think it (the bill) will be considered anymore."