

Agenda 10-18 Hem 3A



BRIAN SANDOVAL  
Governor

STATE OF NEVADA  
PUBLIC UTILITIES COMMISSION

JOSEPH C. REYNOLDS  
Chairman

ANN C. PONGRACZ  
Commissioner

BRUCE H. BRESLOW  
Commissioner

STEPHANIE MULLEN  
Executive Director

MEMORANDUM

DATE: May 30, 2018  
TO: PUCN  
FROM: Stephanie Mullen, Executive Director  
SUBJECT: Annual Assessment – Fiscal Year 2019

RECEIVED  
PUBLIC UTILITIES COMMISSION  
OF NEVADA CARSON CITY  
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The Public Utilities Commission of Nevada's (PUCN) budget is funded primarily through the annual regulatory assessment levied against public utilities in the State for which they receive recovery from their ratepayers. Pursuant to NRS 704.033, the PUCN is required to notify utilities of the annual assessment by June 15th of each year for the following fiscal year. The statutory maximum assessment for the PUCN is 3.5 mills.

The recommendation before the PUCN today is an increase to the assessment rate from fiscal year 2018 of 2.71 mills to 3.28 mills for fiscal year 2019 with an anticipated revenue collection of \$12.5 million. The PUCN's optimal reserve range for the upcoming fiscal year is between \$2.9 and \$3.4 million. The projected fiscal year-end 2018 reserve balance is \$2.9 million.

As discussed during the 2017 Legislative Session, the PUCN anticipated the need to set the annual assessment at 3.33 mills to ensure adequate resources would be available during fiscal year 2019. However, the PUCN's fiscal year-end 2018 budget closing projections show expenditures below the legislatively approved budget, as well as an increase in assessable revenues from the utility companies, allowing the PUCN to set the assessment rate at a slightly lower rate than previously anticipated.

Included in this informational packet is the supporting documentation for the recommended annual assessment. Attachment A is a spreadsheet showing the projected revenues, expenditures, and reserve balance projected to the end of fiscal year 2018, as well as the legislatively approved budget amounts for fiscal year 2019.

Thank you for your consideration.

Attachments

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**PUBLIC UTILITIES COMMISSION 224-3920**  
**Fiscal Year 2019 Financial Information**  
**Recommendation for Setting Annual Assessment**

		<b>Projected Actuals FY 2018</b>	<b>Legislatively Approved * FY 2019</b>
<b><u>REVENUES</u></b>			
2511	Balance Forward from Previous FY	\$3,823,666	\$2,967,469
2512	Balance Forward to Next FY	-	-
2520	Fed Funds from Previous Year Pipeline	\$955	-
2521	Fed Funds to Next Year Pipeline	-	-
3305	Assessment for Universal Energy Charge	\$60,369	\$62,210
3315	Regulatory Assessment	\$10,086,904	\$12,567,700 <sup>(1)</sup>
3420	Federal Gas Pipeline Safety	\$642,031	\$574,468
3716	Inspection Fees - Rail Assessment	\$206,583	\$391,125
3717	Application Fees	\$18,890	\$20,270
3818	Photocopy Services	\$490	\$1,817
3853	Returned Check Fees	-	-
4252	Excess Property Sales	-	-
4254	Miscellaneous Revenue	-	-
4355	Reimbursement of Expense	\$8,465	\$948
4673	Transfer from EPA	\$221,805	\$181,082
<b>TOTAL REVENUES</b>		<b><u>\$ 15,070,159</u></b>	<b><u>\$ 16,767,089</u></b>
<b><u>EXPENDITURES</u></b>			
01	Personnel Services	\$ 10,245,903	\$ 11,824,309
02	Out-of-State Travel	20,459	24,202
03	In-State Travel	162,471	161,002
04	Operating Expenses	1,182,990	1,186,583
05	Equipment	-	-
09	Expert Consultants	59,150	187,500
10	Out-of-State Audits	-	-
16	Vehicle Operation	-	-
26	Information Services	262,039	277,547
30	Training	108,031	110,604
86	<b>Reserve</b>	<b>2,967,469</b>	<b>2,930,643</b>
87	Purchasing Assessment	5,680	8,732
88	Statewide Cost Allocation	55,967	55,967
89	Attorney General Cost Allocation	-	-
<b>SubTotal Expenditures (including Reserve)</b>		<b><u>\$ 15,070,158</u></b>	<b><u>\$ 16,767,089</u></b>
<b>LESS RESERVE</b>		<b><u>\$ (2,967,469)</u></b>	<b><u>\$ (2,930,643)</u></b>
<b>TOTAL EXPENDITURES</b>		<b><u>\$ 12,102,689</u></b>	<b><u>\$ 13,836,446</u></b>
<i>Total Revenues less Total Expenditures (Balance Forward to Next Fiscal Year)</i>		<b><u>\$ 2,967,469</u></b>	<b><u>\$ 2,930,643</u></b>

\* FY 2019 Balance Forward and Reserve adjusted for projected higher FY 2018 Balance Forward  
FY 2019 Regulatory Assessment Revenues and Reserve adjusted for assessment rate at 3.28 mills  
FY 2019 Regulatory Assessment for Bureau of Consumer Protection assessment rate set at .61 mills

<sup>(1)</sup> Revenue included in Legislatively Approved budget for FY 2019 is \$12,805,716