



# City Manager's Office

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## MEMORANDUM

**DATE:** May 2, 2024

**TO:** Mayor and City Council

**THROUGH:** Doug Thornley, City Manager Approved Electronically

**FROM:** Suzanne Groneman, Sustainability Manager  
Jackie Bryant, Assistant City Manager

**SUBJECT:** **NVE Franchise Agreement and Energy Partnership Agreement**

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This memo serves to answer questions posed by Councilmember Duerr regarding the proposed amended gas and electric system franchise agreements with NV Energy, as well as the proposed Energy Partnership Agreement. The franchise agreements establish installation, operation, and maintenance standards for the gas and electric systems within the City of Reno.

The Energy Partnership Agreement is a City-requested document to affirm certain collaborative and reporting efforts between NV Energy and the City of Reno. This document is not required by law or ordinance and does not govern operations or maintenance.

Question: Do the proposed redlines by NV Energy circumvent any need for permits for the installation or maintenance of infrastructure?

Answer: No.

Question: How much has been spent under the Underground Management Plan (UMP) and can a copy be provided to the City of Reno?

Answer: No funds have been spent in the City of Reno under the UMP. A copy of the Application for Approval of the Amendment to the UMP has been provided, and the Order affirming the budget of \$5,000,000 within the Sierra Pacific Power Company territory is attached. Two proposed undergrounding projects are in active design, however no budget has been allocated yet.

Question: Can the title of Section 10.7 of the Electrical System Franchise Agreement be amended to better reflect the purpose of the section (ie. City-requested undergrounding projects)?

Answer: Yes, the section title will be amended to "Undergrounding Requests".

Question: Is the new tree-trimming language meant to circumvent the requirement for any permits for trimming or removing trees, and can the standard be named?

Answer: No, the language does not circumvent the need for permits, and the sentence "Franchisee will provide its standard and updates to the City at the City's request." Today's standard cannot be named since it may change.

Question: Does Berkshire Hathaway have familiarity with mitigation funds for tree removal and can this be added to the agreement?

Answer: No other Berkshire Hathaway companies use mitigation funds. This is typically handled through donations.

Question: NV Energy intends to provide the City with generation reports from the community solar project. Can they also include the number of subscribers and capacity in the report?

Answer: Yes, the proposed Energy Partnership Agreement will be amended to add “NV Energy further agrees to provide Reno with regular reports containing the number of subscribers and subscribed capacity on community solar projects.”

Question: Can NV Energy remove its abandoned poles?

Answer: Once NV Energy receives a list of the poles in question, they will review their location and use.

Question: NV Energy should harden the lines for resilience from wildfires.

Answer: All activities for wildfire resilience are outlined in the filed and approved Natural Disaster Recovery Plan. The current plan period covers 2024-2026. Additional requests are handled through the plan approval process before the Public Utilities Commission of Nevada and will not be up for reapproval until 2026.

Question: How come development projects can receive a reimbursement from the utility for undergrounding power lines?

Answer: This process is governed by Rule 9, a regulatory process before the Public Utilities Commission of Nevada.

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

Joint Application of Nevada Power Company d/b/a )  
NV Energy and Sierra Pacific Power Company d/b/a ) Docket No. 22-08018  
NV Energy for approval of Amendments to their )  
Undergrounding Management Plan for 2023 – 2025. )  
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At a general session of the Public Utilities Commission of Nevada, held at its offices on December 27, 2022.

PRESENT: Chair Hayley Williamson  
Commissioner C.J. Manthe  
Commissioner Tammy Cordova  
Assistant Commission Secretary Trisha Osborne

**ORDER**

The Public Utilities Commission of Nevada (“Commission”) makes the following findings of fact and conclusions of law:

**I. INTRODUCTION**

On August 19, 2022, Nevada Power Company d/b/a NV Energy (“NPC”) and Sierra Pacific Power Company d/b/a NV Energy (“SPPC”) and collectively with NPC “NV Energy”) filed with the Commission a joint application, designated as Docket No. 22-08018 (“Joint Application”), for approval of amendments to their Undergrounding Management Plan for 2023 – 2025 (the “Amended Plan”).

On December 1, 2022, NV Energy and the Regulatory Operations Staff (“Staff” and collectively with NV Energy, the “Parties”) of the Commission filed a Stipulation, attached hereto as Attachment 1 (the “Stipulation”).

**II. SUMMARY**

The Commission accepts the Stipulation and grants the Joint Application, as outlined in the Stipulation.

**III. PROCEDURAL HISTORY**

- On August 19, 2022, NV Energy filed the Joint Application.
- NV Energy filed the Joint Application pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 703 and 704, including, but not limited

to, NAC 703.535.

- On August 24, 2022, the Commission issued a Notice of Joint Application and Notice of Prehearing Conference.
- On September 29, 2022, a Prehearing Conference was held, attended by the Parties, wherein Docket procedure was discussed, and a Continued Prehearing Conference was set for November 29, 2022.
- On November 29, 2022, a Continued Prehearing Conference was held, wherein a Continued Prehearing Conference was set for December 5, 2022.
- On December 1, 2022, the Parties filed the Stipulation.
- On December 5, 2022, a Continued Prehearing Conference was held, attended by the Parties wherein the Stipulation was discussed. At the conclusion of the Continued Prehearing Conference, the Presiding Officer granted an oral motion to accept Exhibit Nos. 1 and 2 into the record pursuant to NAC 703.730. The Joint Application was marked as Exhibit No. 1, and the Stipulation was marked as Exhibit No. 2.

#### **IV. STIPULATION**

##### **Parties' Positions**

1. The Parties recommend the Commission accept and approve the Joint Application filed in this Docket as modified by the Stipulation. (Attachment 1 at 2.)
2. The Parties recommend the Commission find that the approved budgets for each of NPC and SPPC may vary by as much as fifteen percent (15%) over the budgeted amounts for the three-year period of the Amended Plan, which are \$15,000,000 and \$5,000,000, respectively. (*Id.*)
3. The Parties recommend the Commission order NV Energy to seek prior approval from the Commission for each successive three-year budget for the Amended Plan. (*Id.*)
4. The Parties state that NV Energy will not designate an undergrounding project as eligible for funding under the Amended Plan unless the relevant local government is able to obtain an agreement with the co-located facility owners under which they will bring their

facilities underground within twelve months of NV Energy's schedule to underground its facilities. (*Id.* at 3.)

5. The Parties represent that NV Energy commits to soliciting participation from the rural counties and cities and towns served by SPPC. (*Id.*)

6. The Parties recommend that all expenditures made pursuant to the Amended Plan be subject to a prudence review in a subsequent general rate case. (*Id.*)

7. The Parties recommend that eligible projects under the Amended Plan predominately consist of facilities that have been in service for a period of time, and that projects funded under the Amended Plan will rarely, if ever, include recently installed overhead facilities. (*Id.*)

8. The Parties recommend that Commission order NV Energy to continue to collaborate with local government entities to screen proposals for new overhead distribution lines to determine if those projects are candidates for undergrounding under the Amended Plan, considering factors such as compatibility of new overhead construction with local ordinances and land use/zoning, and the likelihood that such a line will be subject to an undergrounding request by local government based on criteria established in the Amended Plan. (*Id.*)

### **Commission Discussion and Findings**

9. The Commission finds that the Stipulation complies with the requirements of NAC 703.845, in that it settles only issues relating to the instant proceeding and does not seek relief the Commission is not otherwise empowered to grant. The Stipulation is a consensus resolution of the issues pursuant to the Parties' negotiations and is a reasonable recommendation and resolution of the issues in this proceeding. Accordingly, the Commission accepts the Stipulation and grants the Joint Application as provided by the Stipulation.

10. All arguments of the Parties raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order. Any agreements and recommendations contained in the Stipulation, but not expressly addressed herein, are either agreements by the Parties regarding matters non-essential to the disposition of this Docket or are recommendations for specific findings that do not require delineation given the Commission's acceptance of the Stipulation and corresponding approval of the Joint Application.

THEREFORE, it is ORDERED:

1. The Stipulation filed by Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy, and the Regulatory Operations Staff of the Commission, attached hereto as Attachment 1, is accepted.

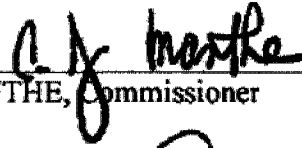
2. The Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval of amendments to their Underground Management Plan for 2023 – 2025, designated as Docket No. 22-08018, is granted, as outlined in the Stipulation.

3. The Commission's acceptance of the Stipulation does not constitute precedent regarding any legal or factual issue.

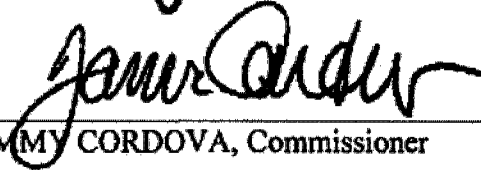
By the Commission,



HAYLEY WILLIAMSON, Chair



C.J. MANTHE, Commissioner



TAMMY CORDOVA, Commissioner

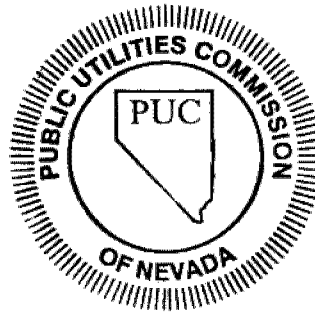
Attest:



TRISHA OSBORNE,  
Assistant Commission Secretary

Dated: Carson City, Nevada

12/29/22  
(SEAL)



# ATTACHMENT 1



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**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

Application of NEVADA POWER COMPANY  
d/b/a NV Energy and SIERRA PACIFIC  
POWER COMPANY d/b/a NV Energy for  
Approval of Amendments to Their Underground  
Management Plan.

Docket No. 22-08018

**STIPULATION**

Pursuant to Nevada Administrative Code (“NAC”) §§ 703.750 and 703.845, Nevada Power Company d/b/a/ NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra” and together with Nevada Power, the “Companies” or “NV Energy”) and the Regulatory Operations Staff (“Staff”) of the Public Utilities Commission of Nevada (“Commission”), each individually a “Party” and together the “Parties,” enter into this Stipulation to resolve all issues related to the Companies’ Application for Approval of Amendments to Their Underground Management Plan (the “Application”).

**SUMMARY OF STIPULATION**

After reviewing the Companies’ filing in this Docket and conducting discovery, the Parties have worked together to reach an agreement that is in the public interest. The Parties agree that this Stipulation provides a reasonable resolution of the issues raised in this Docket and seeks relief that the Commission is empowered to grant. Accordingly, the Parties recommend that the Commission accept the Stipulation and grant the request for relief made by the Companies in their Petition, as modified herein.

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**RECITALS**

1  
2 1. On August 19, 2022, the Companies filed with the Commission an Application  
3 requesting approval of amendments to their Underground Management Plan (the “Amended  
4 Plan”).

5 2. On August 24, 2022, the Commission issued a Notice of Application and  
6 Notice of Prehearing Conference.

7 3. Pursuant to NRS § 703.301, Staff participates in these proceedings as a matter  
8 of right.

9 4. The Attorney General’s Bureau of Consumer Protection did not file an intent  
10 to participate in this Docket, and no Petitions for Leave to Intervene were filed by any other  
11 person or entity.

12 5. Staff has investigated the Amended Plan, conducted an analysis of the  
13 Companies’ request, and agrees to enter into this Stipulation.

14 NOW THEREFORE, in light of the foregoing considerations, the Parties agree and  
15 recommend the following:

**AGREEMENT OF THE SIGNATORIES**

16  
17 1. The Commission should accept and approve the Companies’ Application filed  
18 in this Docket as modified by this Stipulation.

19 2. The approved budgets for each Company may vary by as much as fifteen  
20 percent (15%) over the budgeted amounts for the three-year period of the Amended Plan,  
21 which are \$15,000,000 for Nevada Power and \$5,000,000 for Sierra.

22 3. NV Energy shall seek prior approval from the Commission for each successive  
23 three-year budget for the Plan. A request for approval may be brought through an application.  
24

1 4. NV Energy will not designate an undergrounding project as eligible for  
 2 funding under the Plan unless the relevant local government is able to obtain an agreement  
 3 with the co-located facility owners under which they will bring their facilities underground  
 4 within twelve months of NV Energy's schedule to underground its facilities.

5 5. NV Energy commits to soliciting participation from the rural counties and  
 6 cities and towns that Sierra serves.

7 6. All expenditures made pursuant to the Plan are subject to a prudence review  
 8 in a subsequent general rate case.

9 7. NV Energy intends that eligible projects under the Plan will predominately  
 10 consist of facilities that have been in service for a period of time, and that projects funded  
 11 under the Amended Plan will rarely, if ever, include recently installed overhead facilities.

12 8. NV Energy will continue to collaborate with local government entities to  
 13 screen proposals for new overhead distribution lines to determine if those projects are  
 14 candidates for undergrounding under the Amended Plan. That screening process will  
 15 consider factors such as compatibility of new overhead construction with local ordinances  
 16 and land use/zoning, and the likelihood that such a line will be subject to an undergrounding  
 17 request by local government based on criteria established in the Amended Plan.

18 **GENERAL PROVISIONS**

19 9. This Stipulation represents a compromise. This Stipulation shall not serve as  
 20 precedent for the resolution of any issue in the future by the Commission.

21 10. In accordance with NAC § 703.845, this Stipulation settles only issues relating  
 22 to the present proceeding and seeks relief that the Commission is empowered to grant.

1           11.     This Stipulation is entered into for the purpose of resolving all the issues in  
2 this Docket by and among the Signatories as set forth above. This Stipulation is made upon  
3 the express understanding that it constitutes a negotiated settlement. The provisions of this  
4 Stipulation are not severable.

5           12.     This Stipulation represents a compromise of the positions of the Parties. As  
6 such, conduct, statements and documents disclosed in the negotiation of this stipulation shall  
7 not be admissible as evidence in this Docket or any other proceeding. Except as set forth  
8 herein, neither this Stipulation, nor its terms, nor the Commission’s acceptance or rejection  
9 of the terms contained in this Stipulation shall have any precedential effect in future  
10 proceedings.

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

15           This Stipulation is entered into by each Party as of the date entered below

16 SIERRA PACIFIC POWER COMPANY  
17 D/B/A NV ENERGY  
18 NEVADA POWER COMPANY D/B/A  
19 NV ENERGY

20 By:     /s/ Michael Knox    

21 Date:   12/01/22  

22       Name: Michael Knox  
23       Title: Senior Attorney

REGULATORY OPERATIONS STAFF

By:     /s/ Christine Greve    

Date:   11/30/22  

24       Name: Christine Greve  
25       Title: Assistant Staff Counsel