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**PUC REQUESTS COMMENTS ON RTO PRINCIPLES  
ADVOCATES MIDDLE GROUND ON REGIONAL TRANSMISSION ISSUES**

*Las Vegas* – In December 2002, the Public Utilities Commission (Commission) voted to open an investigation regarding the participation in a Regional Transmission Organization (RTO) by Nevada Power and Sierra Pacific Power. The information gathered by the Commission from interested parties was developed into proposed Nevada RTO principles. The Commission is seeking comments from interested parties on those principles. The principles are:

- State retains jurisdiction over bundled retail transmission rates
- State retains jurisdiction over transmission planning and resource adequacy
- Native load transmission rights are protected
- Participant funding rules require cost causers to pay for new transmission and transmission upgrades
- To join or leave the RTO is voluntary
- No transmission assets are divested
- State retains jurisdiction over retail transmission assets
- A cost / benefit analysis concluding that costs of RTO formation and operation are reasonable when compared to the resulting benefits, and
- Consumer protection.

“With the proper safeguards, the Commission’s investigation has convinced me that a fully functioning market is in the best interest of Nevada’s ratepayers and that there may be substantial benefits to RTO involvement,” stated Don Soderberg, Chairman of the Commission.

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“The recent Federal Energy Regulatory Commission White Paper on Standard Market Design, as well as proposed action in the United States Senate, indicate that a reasoned regional approach is attainable,” added Chairman Soderberg. “We need to work diligently to maximize the benefits of a competitive wholesale market and protect ratepayers.”

Participants in the Commission’s investigation have included investor owned utilities, municipal utilities, independent power producers, qualifying facilities, customer groups, state consumer advocate, Commission staff, and a proposed RTO. The proposed Nevada RTO principles seek a middle ground that balances the interests of affected parties.

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