BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Pahrump Utility Company, Inc., for approval of its 2025 Integrated Resource Plan for wastewater services, for approval to designate certain system improvement projects as eligible projects for which a system improvement rate may be established, and for other relief properly related thereto.	)	Docket No. 25-02031

At a general session of the Public Utilities Commission of Nevada, held at its offices on July 8, 2025.

PRESENT: Chair Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
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 March 4, 2025, Pahrump Utility Company, Inc. ("PUCI") filed with the Commission an application, designated as Docket No. 25-02031 (the "Application"), for approval of its 2025 Integrated Resource Plan ("IRP") for wastewater services, for approval to designate certain system improvement projects as eligible projects for which a system improvement rate ("SIR") may be established, and for other relief properly related thereto

On June 5, 2025, PUCI and the Regulatory Operations Staff of the Commission ("Staff") (collectively, the "Signatories") filed a stipulated agreement ("Stipulation"), appended as Attachment A, resolving all issues in this Docket.

II. SUMMARY

The Commission accepts the Stipulation and grants PUCI's Application as modified by the Stipulation.

III. PROCEDURAL HISTORY

- On March 4, 2025, PUCI filed the Application.

- PUCI filed the Application pursuant to the Nevada Revised Statutes ("NRS") and the Nevada

Administrative Code ("NAC") Chapters 703 and 704, including, but not limited to, NRS 704.661, NRS 704.663, NAC 704.565 through NAC 704.5688, and NAC 704.6339. Pursuant to NRS 703.190 and NAC 703.527 through NAC 703.5282, PUCI requested that certain portions of its Application be given confidential treatment.

- Staff participates as a matter of right pursuant to NRS 703.301.

- On March 10, 2025, the Commission issued a Notice of Application and Notice of Prehearing Conference.

- On April 8, 2025, the Presiding Officer held a prehearing conference. The Signatories made appearances. A procedural schedule and discovery procedures were discussed.

- On April 22, 2025, the Presiding Officer issued a procedural order establishing a procedural schedule, and a Notice of Hearing.

- On May 13, 2025, the Presiding Officer held a continued prehearing conference. The Signatories made appearances and provided an update on the status of negotiations.

- On June 5, 2025, the Signatories filed the Stipulation.

- On June 9, 2025, the Presiding Officer held a continued prehearing conference. The Signatories appeared and presented the Stipulation that resolved all issues in this Docket.

IV. STIPULATION

Signatories' Position

A. Action Plan

1. The Signatories recommend that the Commission grant the Application and accept the Action Plan for PUCI, pursuant to NRS 704.661(5), as follows:

   a. Replacement and upgrading of the two wastewater treatment plant blowers.

   b. Construction of new, portable, headworks that will work in tandem with the existing headworks.

   c. As a directive, PUCI agrees to file a joint water and sewer IRP on or before March 1, 2028, if annual gross operating revenue from water service is within 90

percent of the $1,000,000 threshold in calendar year 2027 provided the current $1,000,000 threshold is not changed prior to PUCI's next IRP filing.

d. PUCI agrees to schedule an informal meeting with Staff within 60 days following the annual SIR filing every third year that the SIR is active. This meeting will allow Staff and PUCI to have a reoccurring open dialogue to discuss any issues.

e. The Signatories agree that PUCI is not required to file a general rate case ("GRC"). Staff states that based on the information provided in this docket, there is no evidence that PUCI is not properly addressing any issues that may arise. (Ex. 101 at 2-3.)

B. SIR Requests

2. The Signatories recommend that the Commission grant the Application, which includes the Funding Plan and budget estimates for the eligible SIR projects for PUCI, pursuant to NAC 704.634. (*Id.* at 3.)

3. The Signatories recommend that the Commission determine that PUCI has complied with the SIR noticing requirements set forth in NAC 704.63395. (*Id.*)

4. The Signatories recommend that the Commission designate the following PUCI projects as eligible for a SIR, which will be set pursuant to the appropriate regulations in a future application:

a. Replacement and upgrading of the two wastewater treatment plant blowers.

b. Construction of new, portable headworks that will work in tandem with the existing headworks. (*Id.*)

5. Pursuant to NAC 704.63435, PUCI agrees to file an application recommending the continuation of the SIR or and adjustment to the SIR on or before April 1st of each year following the establishment of the SIR. (*Id.*)

6. The Signatories agree that SIR treatment for the eligible projects will end with the PUCI sewer division's next GRC filing. (*Id.*)

C. Other

7. The Signatories agree to work cooperatively regarding a limited revision pertaining to Rule 9 and Capacity Fees. (*Id.* at 4.)

Commission Discussion and Findings

8. 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 issues pursuant to the Signatories' negotiations and is a reasonable recommendation and resolution of the issues in this proceeding. Therefore, the Commission accepts the Stipulation.

9. All arguments of the Signatories 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 Signatories 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 Application as modified by the Stipulation.

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Therefore, it is ordered:

1. The Stipulation filed by Pahrump Utility Company, Inc. and the Regulatory Operations Staff of the Public Utilities Commission of Nevada, attached as Attachment A, is accepted.

2. The Application filed by Pahrump Utility Company, Inc. in Docket No. 25-02031, is granted, as modified by the Stipulation.

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

Directives

4. Pahrump Utility Company, Inc. shall file a joint water and sewer Integrated Resource Plan on or before March 1, 2028, if annual gross operating revenue from water service is within 90 percent of the $1,000,000 threshold in calendar year 2027 provided the current $1,000,000 threshold is not changed prior to Pahrump Utility Company, Inc.'s next Integrated Resource Plan filing.

5. The Regulatory Operations Staff of the Public Utilities Commission of Nevada and Pahrump Utility Company, Inc. shall work cooperatively regarding a limited tariff revision pertaining to Rule 9 and Capacity Fees.

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6. Pahrump Utility Company, Inc. shall schedule an informal meeting with the Regulatory Operations Staff of the Public Utilities Commission of Nevada within 60 days following the annual System Improvement Rate filing every third year that the System Improvement Rate is active.

By the Commission,

HAYLEY WILLIAMSON, Chair

TAMMY CORDOVA, Commissioner

RANDY J. BROWN,
Commissioner and Presiding Officer

Attest:
TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada
7/8/25
(SEAL)

ATTACHMENT A

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Pahrump Utility Company, Inc., for approval of its 2025 Integrated Resource Plan for wastewater services, for approval to designate certain system improvement projects as eligible projects for which a system improvement rate may be established, and for other relief properly related thereto. /

Docket No. 25-02031

STIPULATION

COMES NOW, the Regulatory Operations Staff ("Staff") of the Public Utilities Commission of Nevada ("Commission") and Pahrump Utility Company, Inc. ("PUCI" and collectively, the "Signatories"), pursuant to Nevada Administrative Code ("NAC") 703.845, and hereby submit this Stipulation to the Commission in full settlement of the matters at issue.

RECITALS

WHEREAS, PUCI is a public utility providing water and wastewater service in Nye County, Nevada, pursuant to certificates of public convenience and necessity issued by the Commission;

WHEREAS, on February 28, 2025, PUCI filed an application with the Commission for approval of its 2025 Integrated Resource Plan ("IRP") for wastewater services, for approval to designate certain system improvement projects as eligible projects for which a system improvement rate ("SIR") may be established, and for other relief properly related thereto ("Application");

WHEREAS, on February 28, 2025, the initial filing of the Application was accepted and labeled as Docket No. 25-02031. PUCI also filed confidential information included in its Application on March 4, 2025;

WHEREAS, on March 10, 2025, the Commission issued a Notice of Application and Notice of Prehearing Conference which directed interested and affected persons to file comments or petitions for leave to intervene pursuant to NAC 703.578 through NAC 703.600 by April 2, 2025;

WHEREAS, the Application requests approval of PUCI's 2025 IRP and designation of certain system improvement projects as eligible projects for which an SIR may be established;

WHEREAS, Staff participates as a matter of right pursuant to NRS 703.301;

WHEREAS, no other person filed comments or a petition for leave to intervene as a party;

WHEREAS, on May 13, 2025, the Commission held a prehearing conference. The Signatories made appearances. A procedural schedule was discussed;

WHEREAS, on May 22, 2025, the Presiding Officer issued a procedural order establishing a procedural schedule. Additionally, the Commission issued a Notice of Hearing for Monday, July 14, 2025;

WHEREAS, the Signatories agree that this Stipulation represents a reasonable compromise in this proceeding and that this Stipulation is in the public interest.

NOW THEREFORE, considering the foregoing recitals and mutual agreement reflected in this Stipulation, the Signatories agree and recommend that the Commission accept the following:

A. Action Plan

1. The Signatories recommend that the Commission grant the Application and accept the Action Plan for PUCI, pursuant to NRS 704.661(5), as follows:[1]

    a. Replacement and upgrading of the two wastewater treatment plant blowers.

    b. Construction of new, portable, headworks that will work in tandem with the existing headworks.

    c. As a directive, PUCI agrees to file a joint water and sewer IRP on or before March 1, 2028, if annual gross operating revenue from water service is within 90 percent of the $1,000,000 threshold in calendar year 2027 provided the current $1,000,000 threshold is not changed prior to PUCI's next IRP filing.

    d. PUCI agrees to schedule an informal meeting with Staff within 60 days following the annual SIR filing every third year that the SIR is active. This meeting will allow Staff and PUCI to have a reoccurring open dialog to discuss any issues.

[1] The Signatories note that PUCI included expected operations and maintenance projects as part of its Action Plan in its IRP Application; operations and maintenance projects are reviewed and included in rates as part of a general rate case.

e. Although it has been 17 years since PUCI's last rate case, the Signatories agree that PUCI is not required to file a general rate case. Staff has observed, generally, that significant lengths of time between general rate cases can lead to exacerbated issues. Without the in-depth audit that accompanies a general rate case Staff's purview is limited, however, based on the information provided in this docket, there is no evidence that PUCI is not properly addressing issues as they arise.

B. SIR Requests

1. The Signatories recommend that the Commission grant the Application, which includes the Funding Plan and budget estimates for the eligible projects for the SIR Projects for PUCI, pursuant to NAC 704.634.

2. The Signatories support and recommend that the Commission determine that PUCI has complied with the SIR noticing requirements set forth in NAC 704.63395.

3. The Signatories support and recommend that the Commission designate the following PUCI projects as eligible for an SIR, which will be set pursuant to the appropriate regulations in a future application:
    a. Replacement and upgrading of the two wastewater treatment plant blowers.
    b. Construction of new, portable, headworks that will work in tandem with the existing headworks.

4. Pursuant to NAC 704.63435, PUCI agrees to file an application recommending the continuation of the system improvement rate or an adjustment to the system improvement rate on or before April 1st, of each year following the establishment of the system improvement rate.

5. The Signatories agree that SIR treatment for the eligible projects will end with the PUCI sewer division's next GRC filing.

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C. Other

1. Staff agrees to work cooperatively with PUCI concerning a limited tariff revision regarding Rule 9 and Capacity Fees.

GENERAL PROVISIONS

1. Neither this Stipulation, nor its terms, nor the Commission's acceptance of the recommendations contained in this Stipulation, shall have any precedential effect in any other proceeding before the Commission, a court of law, or any other state government regulatory body, nor shall it be admissible or otherwise described or used in any proceeding hereafter for any purpose.

2. This Stipulation is made upon the express understanding that it constitutes a negotiated settlement. The provisions of this Stipulation are not severable. In the event this Stipulation is not accepted by the Commission without change, it shall be deemed withdrawn without prejudice to any claims or contentions which may have been made by any Party.

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

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

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

REGULATORY OPERATIONS STAFF

/s/Georgina Daley Dated: 6/5/2025

By: Georgina Daley
Assistant Staff Counsel

PAHRUMP UTILITY COMPANY, INC.

Dated: June 5, 2025

By: Karen Peterson