

134 FERC ¶ 61,173
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 4, 2011

In Reply Refer To:
Nevada Power Company
Docket No. ER11-2634-000

Nevada Power Company
6226 West Sahara Avenue
Las Vegas, NV 89146

Attention: Thomas Woodworth, Esquire

Reference: Amendments to Restated Agreement for Supplemental Power Service

Dear Mr. Woodworth:

1. On January 6, 2011, you submitted on behalf of Nevada Power Company (Nevada Power), amendments to the Restated Agreement for Supplemental Power Service between Nevada Power and the City of Boulder City, Nevada (SPS Agreement).¹ We accept for filing the Amended SPS Agreement to be effective January 6, 2011, as requested.

2. Nevada Power states that on September 19, 1990, Nevada Power filed Rate Schedule 52 with the Commission setting forth the terms and conditions of providing supplemental power service to the City of Boulder City, Nevada (Boulder City). On August 17, 2009, Nevada Power filed revisions to its supplemental power service agreement with Boulder City to provide for revised rates determined using a cost-based formula methodology. The SPS Agreement was accepted for filing on October 6, 2009.²

¹ The SPS Agreement is designated as FERC Electric Rate Schedule No. 52. For the purposes of this order, we refer to the revised SPS Agreement submitted in the instant proceeding as the “Amended SPS Agreement.”

² *Nevada Power Co.*, Docket No. ER09-1598-000 (Oct. 6, 2009) (unpublished letter order).

3. Nevada Power states that during the summer months (June-September) of 2010, a dispute arose between Nevada Power and Boulder City regarding the amount of capacity Boulder City was required to purchase from Nevada Power under the SPS Agreement. Nevada Power explains that the parties initiated a dispute resolution process and reached an agreement resolving that dispute.³ According to Nevada Power, under that agreement the parties agreed to modify certain provisions of the SPS Agreement as follows: (1) adding a new section 4.1.1 to allow for a one-time shortened notice period for termination of the agreement under which either party may terminate the SPS Agreement effective June 1, 2011, by providing notice by February 28, 2011; (2) adding a new section 6.3, which specifies that Boulder City may displace its capacity purchase from Nevada Power with market purchases under certain qualifying circumstances; (3) specifying the methodology for calculating Boulder City's monthly capacity under the Amended SPS Agreement; and (4) providing an additional termination provision relating to the new market purchase provisions.

4. Nevada Power states that the Amended SPS Agreement reflects all of the agreed to provisions of the agreement reached to resolve the summer 2010 capacity dispute. Nevada Power also states that the Amended SPS Agreement does not modify or alter the rates provided in the SPS Agreement. Under the SPS Agreement, Boulder City's total payment to Nevada Power for capacity for the months of June through September 2010 is \$489,154.68.⁴ With respect to the dispute concerning the amount of capacity Boulder City was required to purchase for the summer 2010, Boulder City agreed to remit and has remitted to Nevada Power a payment of \$206,667.72. Nevada Power states that this amount reflects the outstanding balance owed to Nevada Power under the SPS Agreement and is a full and final resolution of the dispute between the parties.

5. Nevada Power seeks waiver of the 60-day notice requirement to make the revisions to the SPS Agreement effective January 6, 2011. Nevada Power states that good cause exists to grant the requested waiver because acceptance of the Amended SPS Agreement will enable the parties to undertake services pursuant to the Amended SPS Agreement, which clarifies the provisions of service under the SPS Agreement.

³ Nevada Power attached a copy of the agreement reached with Boulder City as Exhibit A to its filing.

⁴ Nevada Power states that at the current SPS capacity rate, this amount reflects 32,352 kW of total capacity for the months of June through September 2010.

6. Notice of Nevada Power's January 6, 2011 filing was published in the *Federal Register*, 76 Fed. Reg. 2897 (2011) with interventions or protests due on or before January 27, 2011. Boulder City filed a timely motion to intervene. No other comments were received. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2010), the timely, unopposed motion to intervene serves to make the entity that filed it a party to this proceeding.

7. We find the Amended SPS Agreement to be just and reasonable and not unduly discriminatory. When faced with a dispute over the terms of their agreement, the parties acting *sua sponte* engaged in dispute resolution to come to an agreement, which they incorporated into the Amended SPS Agreement. Accordingly, we accept the Amended SPS Agreement for filing, effective January 6, 2011, as requested and grant waiver of the 60-day notice requirement, for good cause shown.⁵

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All parties

⁵ *Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).