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18-08007

Public Utilities Commission of Nevada  
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Filed For: Golden Road Motor Inn Inc dba Atlantis Casino Resort Spa

In accordance with NRS Chapter 719,  
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by: /s LucasFoletta

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Golden Road Motor Inn Inc dba Atlantis Casino Resort Spa

Lucas M. Foletta  
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Reply to: Reno

January 18, 2019

Breanne Potter  
Commission Secretary  
Public Utilities Commission of Nevada  
1150 East William Street  
Carson City, Nevada 89701

***Re: Docket No. 18-08007; Amended Application of Golden Road Motor Inn, Inc. dba Atlantis Casino Resort Spa to Purchase Energy, Capacity, and/or Ancillary Services from a Provider of New Electric Resources; Rebuttal Testimony of Randy Harris***


Dear Ms. Potter:

Please accept for filing in the above-referenced docket the Rebuttal Testimony and Exhibits of Randy Harris on behalf of Golden Road Motor Inn, Inc. dba Atlantis Casino Resort Spa ("Atlantis") in this proceeding.

Please do not hesitate to contact me directly at (775) 326-4305 should you have any questions or concerns regarding this submission.

Sincerely,

MCDONALD CARANO LLP



Lucas M. Foletta

LMF/ajb  
*cc: Parties of Record*

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**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF NEVADA**

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**Amended Application of Golden  
Road Motor Inn, Inc. d/b/a Atlantis  
Resort Spa Casino to purchase  
energy, capacity, and/or ancillary  
services from a provider of new  
electric resources.**

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**Docket No. 18-08007**

Rebuttal Testimony

**RANDY HARRIS**

**EnergySource**

**VOLUME I**

On behalf of

**Golden Road Motor Inn, Inc. d/b/a Atlantis Resort Casino Spa**

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**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF NEVADA**

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Amended Application of Golden )  
Road Motor Inn, Inc. d/b/a Atlantis ) **Docket No. 18-08007**  
Resort Spa Casino to purchase )  
energy, capacity, and/or ancillary )  
services from a provider of new )  
electric resources. )  
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**REBUTTAL TESTIMONY OF RANDY HARRIS**

**I. Introduction**

**Q.1 PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A.1 My name is Randy Harris. I am the President of EnergySource. My business address is 550 West Plumb Lane, Suite B # 428, Reno, Nevada 89509.

**Q.2 ARE YOU THE SAME RANDY HARRIS THAT FILED DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF GOLDEN ROAD MOTOR INN, INC. D/B/A ATLANTIS RESORT SPA CASINO (“ATLANTIS”)?**

A.2 Yes, I am.

**Q.3 WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

A.3 The purpose of my rebuttal testimony is to address Sierra Pacific Power Company’s (“SPPC”) contention that Atlantis’s Amended Application to Purchase Energy, Capacity, and/or Ancillary Services from a Provider of New Electric Resources (“Amended Application”) contains legal deficiencies, as argued by SPPC witness Shawn M. Elicegui. Relatedly, I address SPPC witness Sachin Verma’s assertion that there is no transmission import capability available to accommodate Atlantis’s request for transmission import capability. My silence as

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to any portion of the testimony filed by either SPPC, the Regulatory Operations Staff (“Staff”) and the Attorney General’s Bureau of Consumer Protection (“BCP”) should not be taken as tacit approval thereof.

**Q.4 ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR TESTIMONY?**

A.4 Yes. I am sponsoring the following exhibits:

- RH Rebuttal 1 – Portion of Hearing Transcript Docket 18-06009
- RH Rebuttal 2 – Late Filed Exhibit 12 Docket 18-06009
- RH Rebuttal 3 – SPPC Open Access Transmission Tariff (“OATT”)
- RH Rebuttal 4 – SPPC Distribution Only Service Rider
- RH Rebuttal 5 – ATL-SPPC Data Requests

**II. Summary**

**Q.5 PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.**

A.5 I recommend the Public Utilities Commission of Nevada (“Commission”) reject SPPC’s assertion that the Amended Application contains legal deficiencies.

**III. Purported legal deficiencies**

**a. Increased costs**

**Q.6 DO YOU AGREE WITH MR. ELICEGUI THAT ATLANTIS HAS PROVIDED NO EVIDENCE OR INFORMATION AS TO HOW THE PROPOSED TRANSACTION WILL NOT INCREASE COSTS FOR SPPC OR REMAINING RATEPAYERS?**

A.6 No. Mr. Elicegui’s statement is premised on his assertion that Atlantis’s “Application is silent as to whether or not the Applicant will pay an impact fee or if the impact fee is a sufficient

1 amount to ensure that the Company's and remaining customer's costs are not increased."<sup>1</sup>  
2 This, however, is not the case. Atlantis's Amended Application specifically states that "[u]pon  
3 approval of this Amended Application, Atlantis . . . will pay an appropriate impact fee, if any,  
4 also in an amount determined and approved by the Commission."<sup>2</sup> I specifically reaffirmed  
5 that commitment in my prefiled direct testimony.<sup>3</sup> Furthermore, Atlantis witness Nicholas  
6 Phillips filed pre-filed direct testimony that addresses extensively the impact fee Atlantis  
7 believes is appropriate to maintain the public interest—*e.g.*, to ensure that the utility and its  
8 remaining customer's costs do not increase as a result of the proposed transaction. In that  
9 testimony, he specifically states that an impact fee as proposed by Atlantis "would maintain  
10 the public interest from the perspective of the remaining system and Atlantis . . . ."<sup>4</sup> Thus,  
11 Atlantis has provided information on how the proposed transaction will not increase costs for  
12 SPPC and its remaining customers.  
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16 **Q.7 DO YOU AGREE WITH MR. ELICEGUI'S ASSERTION THAT GRANTING THE**  
17 **APPLICATION COULD RESULT IN INCREASED COSTS FOR SPPC IN THE**  
18 **EVENT THAT THE PUBLIC UTILITIES COMMISSION ("COMMISSION")**  
19 **ORDERS SPPC TO ACCRUE CARRYING CHARGES ON ANY IMPACT FEE**  
20 **PAYMENT MADE BY ATLANTIS?**  
21

22 A.7 No. As the Commission has previously found, the requirement that the utility accrue carrying  
23 charges on upfront portions of impact fees paid until those fees are amortized into rates is  
24 "appropriate and reasonable."<sup>5</sup> This is because, as the Commission has pointed out, the utility  
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27 <sup>1</sup> Prefiled Testimony of Shawn Elicegui at Q&A 16.

28 <sup>2</sup> Amended Application at Paragraph 21.

<sup>3</sup> Prefiled Direct Testimony of Randy Harris at Q&A 20.

<sup>4</sup> Prefiled Direct Testimony of Nicholas L. Phillips at Q&A 12.

<sup>5</sup> Order (Docket 18-06008) at 47.

1 “receives the benefit of the infusion of funds via an upfront fee until it is amortized . . . .”<sup>6</sup>

2 Thus, that the utility must accrue carrying charges does not result increased costs because it  
3 has the ability to use the upfront portion of the impact fee until it is amortized into rates. Thus,  
4 the carry is not an increased cost to the utility, but a curative mechanism that ensures that  
5 ratepayers are compensated for the fact that the utility has the benefit of those funds until they  
6 amortize into rates.  
7

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9 **Q.8 DO YOU AGREE WITH MR. ELICEGUI’S PROPOSAL THAT ATLANTIS BE**  
10 **REQUIRED TO PAY THE CARRY ON ITS OWN IMPACT FEE?**

11 A.8 No. The Commission has previously found that requiring an NRS 704B applicant to pay the  
12 carry on its own impact fee is “unreasonable,” and there is no reason to deviate from that  
13 finding here. More specifically, in Docket 18-06008 (NRS 704B application of Station  
14 Casinos LLC (“Station”)), Nevada Power Company (“NPC”) argued that Station should pay  
15 the carry on its own impact fee.<sup>7</sup> The Commission rejected that request concluding that, “as  
16 NPC receives the benefit of the infusion of funds via an upfront fee until the amount is  
17 amortized, it would be unreasonable for Station to pay the carrying charges as part of its impact  
18 fee.”<sup>8</sup> There is no reason to make Atlantis do what the Commission did not require Station to  
19 do, and doing so would be unlawfully discriminatory as there is no distinction between Station  
20 and Atlantis as to this issue. Therefore, the Commission should reject this proposal.  
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<sup>6</sup> *Id.*

28 <sup>7</sup> Order (Docket 18-06008) at 47.

<sup>8</sup> *Id.*

1           **b. System reliability**

2           **Q.9 DO YOU AGREE WITH MR. ELICEGUI'S ASSERTION THAT ATLANTIS HAS**  
3           **FAILED TO PROVIDE EVIDENCE THAT THE PROPOSED TRANSACTION WILL**  
4           **NOT IMPAIR SYSTEM RELIABILITY OR THE ABILITY TO PROVIDE**  
5           **ELECTRIC SERVICE TO REMAINING CUSTOMERS BECAUSE IT HAS FAILED**  
6           **TO REQUEST A TRANSMISSION OR DISTRIBUTION STUDY?**

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8           A.9 No. Mr. Elicegui's assertion that Atlantis has failed to provide evidence that the proposed  
9           transaction will not impair system reliability or the ability to provide electric service to  
10          remaining customers is premised on the assertion that "the Applicant has not requested the  
11          Company conduct a distribution or transmission system impact study."<sup>9</sup> However, as SPPC  
12          witness Sachin Verma points out, "the Commission must first approve the customer's NRS  
13          Chapter 704B application for departure prior to completion of a Transmission Service Request  
14          ("TSR") study."<sup>10</sup> Thus, that Atlantis has yet to request a transmission or distribution study is  
15          not inconsistent with the process contemplated by NRS and NAC 704B. Consequently, using  
16          the fact that no transmission or distribution study has been performed as evidence of the fact  
17          that Atlantis has failed to make the requisite showing regarding reliability impacts is  
18          inappropriate. Upon completion of its NITS application, SPPC will inform Atlantis whether  
19          a transmission study is required, at which point SPPC will undertake the review necessary to  
20          determine the impact of Atlantis's potential transmission request has on the transmission  
21          system. Atlantis does not have the ability to conduct such a study—or a study of the  
22          distribution system, for that matter—as the necessary data is all housed with the utility, much  
23          of which is confidential.  
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<sup>9</sup> Prefiled Testimony of Shawn Elicegui at Q&A 18.

<sup>10</sup> Prefiled Testimony of Sachin Verma at Q&A 11.



1 **Q.10 HAS ATLANTIS PROVIDED EVIDENCE THAT THE PROPOSED TRANSACTION**  
2 **WILL NOT IMPAIR SYSTEM RELIABILITY OR THE ABILITY TO PROVIDE**  
3 **ELECTRIC SERVICE TO REMAINING CUSTOMERS?**

4 A.10 Yes. In its Amended Application, Atlantis specifically states that “The electricity delivered by  
5 the Provider to the point of receipt at Midpoint or other points of receipt as available in  
6 accordance with the OATT will be delivered pursuant to the terms of the OATT.”<sup>11</sup> At the  
7 time of its filing—in fact, until SPPC filed its direct testimony in this matter—all publicly  
8 available information confirmed that Midpoint and other points of receipt accessible by  
9 Atlantis had sufficient transmission capacity to service Atlantis’s potential request.

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12 More specifically, until SPPC corrected the OASIS system on January 7, 2019, as described  
13 by SPPC witness Sachin Verma, that system indicated that there was 325 MW of transmission  
14 import capacity for northern Nevada imports.<sup>12</sup> This was consistent with SPPC’s statements  
15 in Docket 18-06009 (NRS 704B Application of Fulcrum Sierra BioFuels, LLC (“Fulcrum”)),  
16 made only a few months ago. In that docket, SPPC argued that Fulcrum’s anticipated use of  
17 the transmission system would diminish SPPC’s ability to use the available import capacity at  
18 Midpoint, one of Atlantis’s identified points of receipt, to make economic purchases for the  
19 benefit of retail customers and that a fee should be charged Fulcrum relating to those lost  
20 economic opportunities.<sup>13</sup> In relation to that proposal, Marc Reyes, SPPC’s Director, Resource  
21 Planning and Analysis, was asked: “Is there a shortage of transmission capacity in Sierra  
22 Pacific’s – or NV Energy’s – electric system at present?”<sup>14</sup> And he answered, “No.”<sup>15</sup> He  
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27 <sup>11</sup> Amended Application at Paragraph 14.

<sup>12</sup> Prefiled Direct Testimony of Sachin Verma at Q&A 7-9.

<sup>13</sup> See Testimony of Marc Reyes (Docket 18-06009) at QA 10; Testimony of Shawn Elicegui (Docket 18-06009) at QA 22 and 23.

<sup>14</sup> Exhibit RH Rebuttal 1 (Hearing Tr. (Docket 18-06009) at 93-94).

<sup>15</sup> *Id.*

1 then indicated, upon being asked about what options the utility has for expanding its  
2 transmission system should it need to, that “[t]he Company considers transmission expansion  
3 in the preparation of integrated resource plans.”<sup>16</sup> Mr. Reyes testified on October 2, 2018.<sup>17</sup>  
4 On October 22, 2018, roughly a month before the OASIS error was discovered, SPPC filed a  
5 late-filed exhibit indicating that there were 276 MW of unencumbered capacity at Midpoint.<sup>18</sup><sup>19</sup>  
6 The Commission in its Order concluded that, with respect to the fee proposed by SPPC, “such  
7 a fee is not warranted because there is no shortage of transmission capacity in SPPC’s or NV  
8 Energy’s electric system at present.”<sup>20</sup>

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11 At no time since the Commission issued its order in Docket 18-06009 has SPPC indicated to  
12 the Commission that its assertion regarding available transmission capacity is now in error. In  
13 terms of the IRP, there was also no mention of the need for network upgrades to add additional  
14 transmission capacity in northern Nevada in SPPC’s recently approved integrated resource  
15 plan, despite the fact that the error in OASIS was identified before the resource plan was  
16 approved.<sup>21</sup> Thus, in identifying Midpoint and other points of receipt accessible by Atlantis  
17 with sufficient import capacity to service Atlantis’s potential transmission request, Atlantis  
18 provided information sufficient to determine that the proposed transaction would have no  
19 impact of system reliability, at least based on the information available to Atlantis at that time.  
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23 Additionally, Atlantis also stated the following in its Amended Application:  
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26 <sup>16</sup> *Id.* at 94.

<sup>17</sup> *Id.* at 1.

<sup>18</sup> Exhibit Rebuttal RH 2 (Late Filed Exhibit 12 (Docket 18-06008)).

<sup>19</sup> In addition, SPPC’s Late Filed Exhibit 12 indicates that there is unencumbered capacity available at the following points of receipt accessible by Fulcrum: 51 MW at Gonder 230 kV Substation, 173 MW at Hilltop 230 kV Substation, 160 MW Summit 120/60 kV Substation, and 17 MW at Silver Peak kV Substation.

<sup>20</sup> Order at Paragraph 90.

<sup>21</sup> Order Approving IRP (Docket 18-06003) (dated December 21, 2018).

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15. The Provider will determine day-ahead and hourly scheduled volumes, using input from Atlantis. Atlantis will be a SPPC Network Integration Transmission Service (“NITS”) customer and will utilize the Provider as its agent to manage the NITS services to facilitate delivery of power from the point of receipt to the points of delivery.

16. Atlantis will submit to SPPC its NITS application to facilitate the purchase of 4.3 MW of energy, capacity and ancillary services as well as transmission services pursuant to the terms of the OATT. Upon execution, Atlantis will file the executed NITS Agreement with the Commission pursuant to NAC 704B.370(1)(b).

17. Atlantis will execute a Network Operating Agreement (“NOA”) with SPPC in the standard form contained with Attachment G of the OATT. Upon execution of the NOA, Atlantis will file it with the Commission pursuant to NAC 704B.370(1)(b).

18. Upon departure, Atlantis plans to receive its energy pursuant to SPPC’s distribution system. Pursuant to the requirements of NAC 704B.370(1)(a), Atlantis will file with the Commission and serve on all parties a completed and fully executed distribution service agreement which will be negotiated pursuant to the terms of SPPC’s Distribution-only Service Rider.

I affirmed these commitments in my Prefiled Direct testimony.<sup>22</sup> As the Commission is aware, SPPC’s OATT governs its management of the transmission system. Among other things, the OATT has specific requirements relating to maintaining system reliability. In fact, Section 33.7 is titled “System Reliability.”<sup>23</sup> That section authorizes SPPC, as the transmission provider to:

Curtail Network Integration Transmission Service without liability on the Transmission Provider’s part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider’s Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service.<sup>24</sup>

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<sup>22</sup> Prefiled Direct Testimony of Randy Harris at Q&A 17-19.  
<sup>23</sup> Exhibit Rebuttal RH 3 (SPPC OATT at Section 33.7).  
<sup>24</sup> SPPC OATT at Section 33.7.

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For its part, the Distribution Only Service rider governs distribution only service (“DOS”) and requires, among other things, the installation of interval meters before taking such service.<sup>25</sup>

In agreeing to accept electricity in accordance with the OATT and execute the required network transmission service agreement, network operating agreement and distribution only service agreement, Atlantis has specifically indicated that will take service pursuant to the relevant transmission and distribution rules and tariffs, including those that govern system reliability. Those commitments therefore constitute additional evidence that there will be no system impairment as a result of the proposed transaction. Thus, to reiterate, Atlantis provided the best available information at the time of its Amended Application—points of receipt with available capacity and a commitment to follow the rules and enter the appropriate agreements that govern Nevada’s transmission and distribution system—to assure the Commission that there will be no negative impacts on system reliability as a result of the transaction.

**Q.11 HAS SPPC PROVIDED INFORMATION THAT IT BELIEVES INDICATES THERE WILL BE NO TRANSMISSION CAPACITY TO SERVICE ATLANTIS’S REQUEST FOR IMPORT CAPACITY AND THEREFORE THE COMMISSION SHOULD CONSIDER DELAYING OR DENYING APPROVAL OF THE AMENDED APPLICATION ON THOSE GROUNDS?**

A.11 Though it is somewhat unclear, SPPC appears to suggest that the Commission delay approving the Amended Application until SPPC performs a transmission analysis and production cost impact study of Atlantis’s departure.<sup>26</sup> This position appears to be premised on the assertion

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<sup>25</sup> Exhibit Rebuttal RH 4 (DOS Rider (incorporating by reference the interval metering requirements of Rule 16)).  
<sup>26</sup> See Prefiled Direct Testimony of Sachin Verma at Q&A 12 and Prefiled Direct Testimony of Shawn Elicegui at Q&A 18.

1 that SPPC believes there is no available transmission capacity upon which to grant any request  
2 by Atlantis for transmission import capacity.<sup>27</sup>  
3

4 **Q.12 DO YOU HAVE CONCERNS ABOUT THE RELIABILITY OF THIS**  
5 **INFORMATION?**  
6

7 A.12 Yes. First, as Mr. Verma indicates, SPPC first learned of the purported error in OASIS  
8 regarding the available transmission algorithm on November 26, 2018.<sup>28</sup> However, the  
9 correction was not revealed publicly until January 7, 2019.<sup>29</sup> Thus, approximately six weeks  
10 passed from when SPPC learned of the issue and reported it. Perhaps more importantly, to the  
11 extent SPPC is raising the issue of diminished transmission capacity as a potential bar to  
12 Atlantis transitioning to DOS, it knew about the error over a month before it filed its alternative  
13 analysis in this case, but did not indicate in that analysis that the reduced transmission capacity  
14 could present a complication for Atlantis's departure. Instead, it raised the issue for the first  
15 time in its direct testimony. The late revelation regarding available transmission capacity has  
16 left Atlantis without any reasonable ability to conduct discovery on this issue and prepare  
17 informed rebuttal.<sup>30</sup> Thus, SPPC's delayed notification has resulted in prejudice to Atlantis.  
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21 Second, Mr. Verma references a transmission study performed on behalf of a prior queued  
22 customer that results in the conclusion that there will be no available transmission capacity to  
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24 <sup>27</sup> Prefiled Direct Testimony of Sachin Verma at Q&A 8.

25 <sup>28</sup> Prefiled Direct Testimony of Sachin Verma at Q&A 9.

26 <sup>29</sup> *Id.* at Q&A 7.

27 <sup>30</sup> On January 15, 2019, Atlantis submitted a series of data requests to SPPC requesting certain information to begin  
28 preliminarily vetting SPPC's claims regarding available transmission capacity. On January 17, 2019 at 4:30 p.m., less  
than twenty-four (24) hours before this testimony was due, SPPC submitted a number of response. However, upon  
preliminary review, those responses do not contain all the information Atlantis requested. For example, in SPPC-ATL 56,  
Atlantis requested "a complete copy of the latest power flow contingency analysis that the Company has performed, or has  
had performed on its behalf, regarding the simultaneous import capability into northern Nevada." In response, SPPC  
provided the output file, but did not provide the complete analysis, including the .sav and raw case files that produced the  
results for PSS/E, information necessary to evaluate the results. Atlantis has not had sufficient time to review the response  
provided or ask additional clarifying questions for purposes of including additional content in this testimony.

1 serve Atlantis. Mr. Verma, however, did not include the study as an exhibit to his testimony  
2 or in workpapers. As such, neither Atlantis, nor any of the parties, have had a chance to review  
3 that study in the context of these proceedings. As such, there is simply no way for the  
4 Commission to reliably conclude that Mr. Verma's assertion that there is a shortage of  
5 available transmission capacity to serve Atlantis's load is in fact the case. What's more,  
6 Atlantis has had no meaningful opportunity to conduct discovery regarding the study,  
7 underscoring the conclusory and unsupported nature of Mr. Verma's testimony.  
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10 Third, I am troubled the fact that Mr. Verma's testimony regarding available transmission  
11 capacity is drastically different from the testimony and evidence offered by SPPC in prior  
12 cases, as I describe above. It appears that substantial transmission capacity has been lost in the  
13 matter of roughly two months contrary to all public pronouncements by SPPC. This makes  
14 the assertion of the absence of available transmission capacity to serve Atlantis's load suspect  
15 and the Commission should not accept it as true without additional inquiry.  
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19 **Q.13 IN LIGHT OF THE FOREGOING, DO YOU AGREE WITH SPPC'S APPARENT**  
20 **ASSERTION THAT THE COMMISSION SHOULD DELAY APPROVING OR DENY**  
21 **ATLANTIS'S APPLICATION ON THE GROUNDS THAT THE PROPOSED**  
22 **TRANSACTION NEGATIVELY IMPACTS SYSTEM RELIABILITY?**  
23

24 A.12 No. As I indicate above, Atlantis provided the best information available to it at the time of  
25 filing its Amended Application and submitting its prefiled direct testimony as to effect of the  
26 proposed transaction on system reliability. That SPPC is now raising questions about the  
27 impact on system reliability based on information only it has access to and an error that it made  
28 is not an appropriate ground upon which to delay approving or deny Atlantis's Amended

1 Application. Once Atlantis's Amended Application is approved, Atlantis will submit a  
2 transmission request and SPPC can indicate that a customer-specific transmission study is  
3 necessary to determine whether there is existing import capacity to serve Atlantis's load.  
4 Depending on the results of that study and the reliability of the same, Atlantis may exercise its  
5 rights under the OATT to ask questions about the study and may thereafter make a  
6 determination about what additional actions to take, if any, to facilitate its ability to transition  
7 to DOS. Such steps could include, but are not limited to, waiting for sufficient network  
8 upgrade to be completed to facilitate its transition to DOS, disputing the results of the study,  
9 or determining not to exercise its authority to purchase energy, capacity, and/or ancillary  
10 resources from a provider of new electric resources. Additionally, given the inability of the  
11 parties to conduct meaningful discovery and the clear inconsistencies in what SPPC is claiming  
12 here versus its stated position in Docket 18-06009, there is no credible record upon which to  
13 deny or delay approving Atlantis's Amended Application. Therefore, the Commission should  
14 not take any negative action towards Atlantis's Amended Application on these grounds.  
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18 **c. Adding Supply**

19 **Q.13 DO YOU AGREE WITH MR. ELICEGUI'S ASSERTION THAT THE PROPOSED**  
20 **TRANSACTION DOES NOT ADD ENERGY, CAPACITY AND ANCILLARY**  
21 **SERVICES TO THE SUPPLY IN THIS STATE BECAUSE ATLANTIS PROPOSES**  
22 **TO PROCURUE A MARKET RESOURCE?**  
23

24 A.13 No. I disagree for at least three reasons. First, market resources of the type Atlantis proposes  
25 procuring are new electric resources. As this Commission has previously determined, "power  
26 obtained through market resources that are not directly sourced from a [NV Energy] . . .  
27  
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1 generation asset qualifies as a new electric resource under NRS 704B.110.”<sup>31</sup> More  
2 specifically, this Commission has determined that requiring NRS 704B applicants to identify  
3 specific generation assets from which energy would be procured would unnecessarily restrict  
4 the manner in which an NRS 704B applicant may exercise its rights under NRS Chapter  
5 704B.<sup>32</sup> The Commission has ensured that market resources are not sourced from SPPC by  
6 requiring providers of new electric resources to establish policies, subject to Commission  
7 approval, that ensure the provider does not directly purchase from SPPC.<sup>33</sup> As I stated in my  
8 prefiled direct testimony, Atlantis’s provider will supply such a policy for Commission  
9 approval, and that the energy supplied by its provider will be delivered from generation assets  
10 not owned or contractually committed to SPPC.<sup>34</sup>  
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14 Second, concluding that Atlantis’s intent to procure market resources to supply its load does  
15 not result in adding energy, capacity or ancillary services to the supply in this state and deny  
16 its Amended Application on those grounds would be inconsistent with the Commission’s prior  
17 orders and result in unduly discriminatory treatment relative to prior NRS 704B applicants. In  
18 Docket 15-05017 (MGM NRS 704B Application), the Commission specifically concluded that  
19 “market purchases are permitted under NRS 704B.310(6)(c), which requires that the  
20 Commission determine “[w]hether the proposed transaction will add energy, capacity or  
21 ancillary services to the supply in this State.”<sup>35</sup> Moreover, in every prior NRS 704B case since  
22 2014, the applicant has proposed procuring market resources through a third-party provider to  
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27 <sup>31</sup> *E.g.*, Order on Reconsideration (Docket 15-05017 (MGM NRS 704B Application) at 10.

<sup>32</sup> *Id.*

<sup>33</sup> Order Approving Stipulation (Docket 17-05014 (NRS 704B Application of Peppermill Casino Inc.) at Compliance Paragraph 10.

<sup>34</sup> Prefiled Direct Testimony of Randy Harris at Q&A 16.

<sup>35</sup> Modified Final Order (Docket 15-05017) at 78.



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supply its load and the Commission has approved those applications.<sup>36</sup> Precluding Atlantis from supplying its load with market resources would result in unjustifiably discriminating against Atlantis.

Third, Mr. Elicegui is incorrect in his assertion that market resources from markets in which SPPC participates do not add to the supply in this state. Simply because NV Energy participates in a particular market, does not change the fact that as an NRS 704B customer procures market resources, it is adding energy from those markets into Nevada’s electric system. As such it is literally adding to the supply in this state—specifically, the supply necessary to serve its load. The participation of an NRS 704B customer in the same market as SPPC serves to enhance the availability of energy, capacity and ancillary resources from that market, thus increasing the supply of energy, capacity and ancillary services in this state.

**IV. Conclusion**

**Q.14 DOES THIS CONCLUDE YOUR TESTIMONY?**

A.14 Yes.

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<sup>36</sup> *E.g.*, Modified Final Order (Docket No. 15-05017 (MGM NRS 704B Application)) at 78-79 (concluding that market resources are new electric resources and thus satisfy the requirements of NRS 704B.310(6)(c) (requiring a consideration of “[w]hether the proposed transaction will add energy, capacity or ancillary services to the supply in this State.”)); Modified Final Order (Docket 15-05002 (LVSC NRS 704B Application)) at 74-75 (concluding “The Commission finds that market purchases are permitted under NRS 704B.310(6)(c)); Modified Final Order (Docket 15-05006 (Wynn NRS 704B Application)) at 106 (“The Commission finds that market purchase are permitted under NRS 704B.310(6)(c)”); See Order approving stipulation (Docket 16-11034 (Caesars NRS 704B Application)) (order approving stipulation in connection with which Caesars proposed to purchase market energy from Tenaska (Application at 4)).

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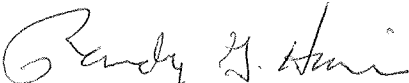
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**AFFIRMATION**

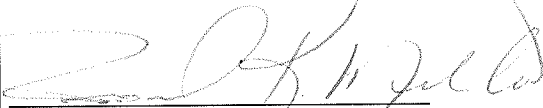
STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

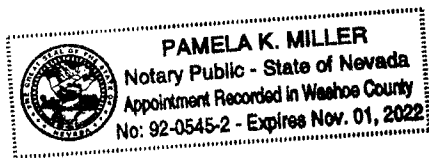
I, Randy Harris, do hereby swear under penalty of perjury the following:

That I am the person identified in the attached Pre-Filed Direct Testimony, and that such testimony was prepared by me or under my direct supervision; that the answers and information set forth therein are true to the best of my knowledge and belief; and that if asked questions set forth herein; my answers thereto would, under oath, remain the same.

  
\_\_\_\_\_  
RANDY HARRIS

Subscribed and sworn to (or affirmed) before me on this 18<sup>th</sup> day of January, 2019, by RANDY HARRIS, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

  
\_\_\_\_\_  
NOTARY PUBLIC



1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I have on this 18<sup>th</sup> day of January, 2019, caused to be served by electronic  
3 mail or U.S. Mail, a true and correct copy of the foregoing on each of the persons identified on the  
4 following list:

5 Michael Greene  
6 Tim Clausen  
7 NV Energy  
8 6100 Neil Road  
9 Reno, NV 89511  
10 [mgreene@nvenergy.com](mailto:mgreene@nvenergy.com)  
11 [tclausen@nvenergy.com](mailto:tclausen@nvenergy.com)  
12 [regulatory@nvenergy.com](mailto:regulatory@nvenergy.com)

13 Sam Crano, Staff Counsel  
14 Regulatory Operations Staff  
15 Public Utilities Commission of Nevada  
16 1150 East William Street  
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An employee of McDonald Carano LLP