

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a NV)
Energy for authority to establish a Wildfire Self-)
Insurance Policy and cost recovery to fund the) Docket No. 25-01018
Wildfire Self-Insurance Policy.)
_____)

Application of Sierra Pacific Power Company d/b/a)
NV Energy for authority to establish a Wildfire Self-) Docket No. 25-01019
Insurance Policy and cost recovery to fund the)
Wildfire Self-Insurance Policy.)
_____)

At a special session of the Public Utilities
Commission of Nevada, held at its offices
on September 16, 2025.

PRESENT: Chair Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
Assistant Commission Secretary Trisha Osborne

**ORDER ON PETITIONS FOR
RECONSIDERATION AND CLARIFICATION**

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

I. INTRODUCTION

On January 2, 2025, Nevada Power Company d/b/a NV Energy (“NPC”) filed with the Commission an application, designated as Docket No. 25-01018, for authority to establish a Wildfire Self-Insurance Policy and cost recovery to fund the Wildfire Self-Insurance Policy. On the same date, Sierra Pacific Power Company d/b/a NV Energy (“SPPC” and together with NPC, “NV Energy”) also filed with the Commission an application, designated as Docket No. 25-01019 (together with 25-01018, the “Joint Application”), for authority to establish a Wildfire Self-Insurance Policy and cost recovery to fund the Wildfire Self-Insurance Policy.

On June 24, 2025, and June 25, 2025, the Commission held a hearing for the two dockets.

On July 30, 2025, the Commission issued an order granting in part and denying in part the Joint Application (the “Order”).

On August 13, 2025, the Bureau of Consumer Protection (“BCP”) filed a Petition for Reconsideration, and the Regulatory Operations Staff of the Commission (“Staff”) filed a Petition for Clarification. On August 14, 2025, Nevada Gold Mines LLC (“NGM”), Nevada Resort Association (“NRA”), Peppermill Casinos, Inc. (“Peppermill”), MGM Resorts International (“MGM”), Caesars Entertainment Services (“Caesars”) and Southern Nevada Gaming Group (“SNGG”) (collectively, the “Joint Petitioners”) together filed a Joint Petition for Reconsideration. On August 14, 2025, NGM filed a Supplemental Petition for Reconsideration.

On August 27, 2025, answers to the petitions for reconsideration and clarification were due; however, a State of Nevada network security incident caused an ongoing service outage, preventing parties from timely filing answers. Parties were informed that the presiding officer would extend the filing deadlines for parties to file answers to the petitions for reconsideration and clarification consistent with the treatment of time periods that end in a weekend or holiday found in Nevada Administrative Code (“NAC”) 703.120.

On September 3, 2025, the presiding officer issued Procedural Order 6 providing an updated filing deadline to allow parties to submit their answers to the petitions for reconsideration and clarification. On the same date, Smart Energy Alliance (“SEA”), Wynn Las Vegas, LLC (“Wynn”), and Haas Automation, Inc. (“Haas”) filed a Joint Answer to BCP’s and Staff’s petitions for reconsideration and clarification; and BCP also filed an answer to the petitions for reconsideration.

II. SUMMARY

The Commission grants the petitions for reconsideration and clarification, and, upon reconsideration, reaffirms its Order as set forth below.

III. PROCEDURAL HISTORY

- On January 2, 2025, NV Energy filed the Joint Application pursuant to the Nevada Revised Statutes (“NRS”) and the NAC, Chapters 703 and 704, including, but not limited to, NRS 704.110 and NAC 703.535.
- On January 13, 2025, the Commission issued a Notice of Application and Prehearing Conference in Docket No. 25-01018, and the Commission also issued a Notice of Application and Prehearing Conference in Docket No. 25-01019.
- Staff participates as a matter of right pursuant to NRS 703.301.
- On January 22, 2025, BCP filed a Notice of Intent to Intervene pursuant to Chapter 228 of the NRS in Docket Nos. 25-01018 and 25-01019.
- On February 12, 2025, Haas, SNGG, and Wynn each filed a Petition for Leave to Intervene (“PLTI”) in Docket No. 25-01018; Peppermill, and Northern Nevada Industrial Electric Users (“NNIEU”) each filed a PLTI in Docket No. 25-01019; SEA, Caesars, MGM, and the NRA each filed a PLTI in both Docket Nos. 25-01018 and 25-01019.
- On February 14, 2025, the Presiding Officer held prehearing conferences in Docket Nos. 25-01018 and 25-01019. NV Energy, Staff, BCP, Haas, SEA, Caesars, MGM, NRA Wynn, and SNGG made appearances in Docket No. 25-01018 and discussed a procedural schedule, PLTIs, and consolidating dockets. NV Energy, Staff, BCP, NNIEU, Peppermill, MGM, Caesars, and SEA made appearances in Docket No. 25-01019 and discussed a procedural schedule, PLTIs, and consolidating dockets.
- On February 20, 2025, the Presiding Officer issued Procedural Order No. 1, establishing a procedural schedule and consolidating Docket Nos. 25-01018 and 25-01019. On the same date, the Commission issued a Notice of Continued Prehearing Conference and Notice of Hearing.
- On February 24, 2025, BCP filed a Motion Requesting a Consumer Session.
- On February 26, 2025, the Presiding Officer issued an Order granting the PLTIs of Haas, SEA, Caesars, MGM, NRA, Wynn, Peppermill, SNGG, and NNIEU.
- On March 3, 2025, Staff and NV Energy each filed a response to BCP’s Motion.
- On March 10, 2025, BCP filed an answer to Staff’s and NV Energy’s responses. On the same date, the Presiding Officer issued Procedural Order No. 2, updating the procedural schedule to add a consumer session.
- On March 11, 2025, the Commission issued a Notice of Consumer Session.

- On May 1, 2025, the Presiding Officer issued Procedural Order No. 3, changing the date of the consumer session. On the same date, the Commission issued an Amended Notice of Consumer Session.
- On May 23, 2025, the Presiding Officer issued Procedural Order No. 4, cancelling the scheduled continued prehearing conference.
- On June 2, 2025, Staff and BCP each filed direct testimony. On the same date, SEA, Wynn, Haas, SNGG, Caesars and MGM collectively filed direct testimony.
- On June 11, 2025, the Commission held a consumer session.
- On June 12, 2025, and June 13, 2025, NGM filed a late PLTI.
- On June 16, 2025, and June 17, 2025, NV Energy filed rebuttal testimony.
- On June 17, 2025, NGM filed a Motion to Shorten Response Time and Request for Expedited Ruling on NGM's Late-filed PLTI ("NGM's Motion").
- On June 18, 2025, BCP filed both a Notice of Non-Opposition to NGM's Motion and a Response to NGM's Late-Filed PLTI; Staff also filed a letter stating it did not intend to file a response or object to NGM's late-filed PLTI. On the same date, the Presiding Officer issued Procedural Order No. 5, explaining the hearing procedures.
- On June 20, 2025, NNIEU filed a request to be excused from the hearing.
- On June 23, 2025, the Presiding Officer issued an Order granting the PLTI of NGM with limitations.
- On June 24, 2025, and June 25, 2025, the Commission held a hearing.
- On July 30, 2025, the Commission issued its Order.
- On August 13, 2025, BCP filed a Petition for Reconsideration and Staff filed a Petition for Clarification.
- On August 14, 2025, NRA, NGM, Peppermill, MGM, Caesars, and SNGG filed a Joint Petition for Clarification and Reconsideration. On the same date, NGM filed a Supplemental Petition for Reconsideration.
- On August 27, 2025, answers to the petitions for reconsideration and clarification were due; however, a State of Nevada network security incident caused an ongoing service outage, preventing parties from timely filing answers.
- On September 3, 2025, the Presiding Officer issued Procedural Order 6 providing an updated

filing deadline to allow parties to submit their answers to the petitions for reconsideration and clarification.

- On September 5, 2025, NV Energy filed an answer to the petitions for reconsideration and clarification. On the same date, SEA, Wynn, and Haas filed a joint answer to BCP's and Staff's petitions, and BCP also filed an answer to the petitions.¹

IV. PETITIONS FOR RECONSIDERATION AND CLARIFICATION

A. Staff's Petition for Clarification

1. Staff requests clarification regarding paragraphs 1-2 of the Order, which state that the Joint Application is granted in part; however, Staff states that it remains unclear which portions are granted and denied in part or granted in part. (Saff Pet. at 3.) Staff seeks clarification regarding paragraphs 39-46 of the Order, which discuss NV Energy's additional insurance needs, particularly seeking clarification as to which requests in the prayers for relief are approved or denied. (*Id.* at 3.) Staff requests clarification as to whether the Commission is: a) currently approving \$500 million in additional insurance, b) denying any specific amount of additional insurance, or c) deferring a decision until after NV Energy files the supplemental information requested by the Commission in its Order. (*Id.* at 8.) Staff states that NV Energy's prayers for relief concerning cost recovery, cost allocation, and rate setting are not explicitly addressed in the Order. (*Id.* at 4.) Staff seeks clarification regarding whether NV Energy's prayers for relief are approved, denied, or deferred without a final determination. (*Id.* at 4.)

2. Staff states that clarification is needed regarding the implications of the Order's findings, particularly with the Commission finding that it is "prudent" and "reasonable" for NV Energy to procure additional insurance. (*Id.* at 4-5.) Staff states that in Section A, the Commission found that insurance coverage of \$1 to \$1.5 billion is prudent, while in Section B,

¹ BCP's pleading is titled as a "response," but the Commission liberally construes it, consistent with NAC 530(3), as an answer permitted under NAC 703.801(4).

the Commission determined that NV Energy's self-insurance policy had not been demonstrated to be prudent. (*Id.* at 4-5.) Staff requests clarification as to whether paragraphs 44 and 46 of the Order's findings indicate that the Commission has made a final prudency determination to authorize NV Energy to obtain an additional \$500 million in wildfire insurance coverage. (*Id.* at 6-7.) Staff requests clarification regarding whether the Commission, in finding that increasing insurance coverage by \$500 million is reasonable, also found that the associated costs of the proposed insurance coverage are just and reasonable. (*Id.* at 7.)

3. Staff states that clarification is needed for paragraphs 39, 44, and 46 of the Order regarding the term "insurance," and Staff characterizes the Order's language as too broad and limiting. (*Id.* at 8.) Staff expresses concern that the term "insurance" may imply that NV Energy demonstrated that additional insurance is needed and that all associated costs are recoverable from ratepayers. (*Id.* at 9.) Staff states that the Order intended to mandate additional financial safeguards of \$500 million to achieve a total range of wildfire coverage of \$1 to \$1.5 billion. (*Id.* at 9.) Staff states that the Order does not explicitly limit approval solely to "insurance," as the requested policy, alternative type(s) of financial coverage, and recoverable amounts from ratepayers still require Commission approval. (*Id.* at 9.)

BCP's Answer

4. BCP supports Staff's request for clarification regarding what specific portions of the Joint Application are approved, denied, or deferred to a later phase. (BCP Answer at 2.) BCP also supports Staff's request for the Commission to clarify its findings that the \$1 to \$1.5 billion insurance range is prudent, a \$500-million increase in insurance coverage is reasonable, and additional insurance is necessary. (*Id.* at 2.)

SEA, Wynn, and Haas's Answer

5. SEA, Wynn, and Haas state that the Commission should grant Staff's petition to clarify paragraphs 1-2 of the Order due to a lack of clarity on what portions of the Joint Application are being both granted and denied in part, or only granted in part. SEA, Wynn, and Haas also support Staff's request to clarify paragraphs 39-46, where the Commission does not explicitly address the requests included in the prayers for relief. (SEA/Wynn/Haas Answer at 2).

6. SEA, Wynn, and Haas agree that clarification is necessary regarding whether the Order involves a determination of prudence related to the request for \$500 million in additional insurance. (SEA/Wynn/Haas Answer at 3). SEA, Wynn, and Haas state that the statements in paragraphs 44 and 46 can be interpreted in different ways. (*Id.* at 3).

NV Energy's Answer

7. NV Energy states that the Order recognizes liability insurance as a prudent tool to manage risks in utility operations. (NV Energy Answer at 2.) NV Energy states that the Commission's Order recognizes that insurance coverage is a prudent tool for managing the risks of operating utility infrastructure, noting that NV Energy currently holds approximately \$500 million in liability coverage that for damage attributable to wildfire caused or exacerbated by its operations. (*Id.*) NV Energy states that the Commission found it reasonable and prudent for NV Energy to pursue the gradual approach of increasing its wildfire liability insurance coverage by \$500 million given that the Commission found that \$1 billion to \$1.5 billion is a prudent range of total coverage. (*Id.*) NV Energy explains that what now remains is for the Commission to determine which insurance product will accomplish the goal of increasing coverage by the \$500 million amount. (*Id.* at 3.) NV Energy states that the Commission's finding regarding the prudence and reasonableness of the \$500 million amount ensures that the second phase of these

dockets will not include re-litigating the extent of the risk posed by catastrophic wildfires and the necessary amount of additional insurance coverage. (*Id.*) NV Energy states that the second phase of the proceedings should properly focus on the structure of the additional \$500 million in necessary coverage. (*Id.*)

8. NV Energy states that the Commission did not determine that the full \$500 million for additional wildfire insurance must be funded entirely by customers, noting that the Commission directed NV Energy to provide information for review in phase two of these dockets detailing how claim payments will be processed and covered by shareholders under a self-funded insurance policy. (*Id.* at 3-4.)

9. NV Energy states that the Order is not broad and emphasizes that it is pursuing a wildfire self-insurance policy to address wildfire liability. (*Id.* at 5.) NV Energy states that while other parties discussed other forms of financial support that do not constitute insurance, such as securitization, the Commission ultimately endorsed NV Energy's pursuit of additional wildfire liability insurance as prudent and reasonable. (*Id.*) NV Energy adds that the Commission found that NV Energy must be proactive in preparing for the risk of substantial liability from wildfire and reiterates that securitization could not be considered by the Legislature for almost two more years. (*Id.* at 6.)

Commission Discussion and Findings

10. In its Order, the Commission found that NV Energy needs additional wildfire liability insurance coverage, that a total of \$1 billion to \$1.5 billion in insurance coverage is a prudent range of wildfire liability insurance coverage for NV Energy, and that an additional \$500 million in wildfire liability insurance coverage is reasonable and prudent at this time. Any claims that the Commission authorized over \$500 million in additional wildfire liability insurance

coverage at this time are without merit. The Commission did not authorize a specific insurance product for this additional \$500 million in wildfire liability insurance coverage and instead ordered NV Energy to provide more information for further examination of the details of the proposed insurance product. Furthermore, NV Energy states in its Answer that it has “no intention of taking any action to secure the \$500 million of insurance described in the filing before the resolution of this docket.” Notably, if NV Energy were to take action to secure such insurance coverage, it would not be able to recover the costs of the coverage from customers without first demonstrating in a rate case that it obtained the coverage prudently and that charging the costs of the coverage to customers would result in just and reasonable rates. In the absence of a Commission finding that the specific terms of a policy are prudent, the prudence finding related to the amount of coverage does not permit recovery of the costs of a policy.

11. The effect of the Commission’s July 3, 2025, Order is limited in that it simply resolves the issue of whether \$500 million is a reasonable and prudent amount of additional wildfire liability insurance coverage given the increased risk posed by catastrophic wildfires. The Commission’s Order does not foreclose consideration or exploration of alternative or supplemental options for financial protection; it focuses on insurance coverage because that is what NV Energy is requesting in its application.

12. Staff’s concerns regarding potential interpretations or implications of the Order’s use of the words “reasonable” and “prudent” are unwarranted, as those terms do not apply beyond the specific contexts within which they are used. In considering whether to make the findings that the Joint Application requests—that NV Energy’s self-insurance proposal is “prudent and reasonable”—the Commission must determine whether the material elements of the proposal are prudent and reasonable. In the Order, the Commission found that one material element (the

proposed amount of insurance coverage) is prudent, but in making that finding, the Commission did not find that any other elements of the proposed self-insurance policy are prudent.

13. Staff correctly notes that there are cost-recovery implications when expenditures are found to be prudent investments or prudently incurred. However, the “prudence” finding that the Commission made regarding the necessary amount of insurance addresses a coverage level and not the costs or expenditures related to obtaining that level of coverage. Thus, in this instance, the word “prudent” is assigned its plain meaning and merely reflects that the proposed amount of \$500 million in liability insurance coverage is appropriate and based on informed, thoughtful analysis. Importantly, the Commission’s review of utility operations for the purpose of determining whether actions are/were prudent is not reserved for cost-recovery findings for expenditures; in fact, the Commission’s enabling statutes establish a general, overarching duty to ensure prudent utility operation and service.² Similarly, the Commission is free to use the term “reasonable” in circumstances other than those involving an evaluation of the justness and reasonableness of rates. In finding that increasing insurance coverage by \$500 million is a reasonable course of action for NV Energy, the Commission did not somehow find that the rates resulting from recovery of yet-unknown costs of obtaining a \$500-million coverage level are just and reasonable. Neither “prudent” nor “reasonable” is defined in the Commission’s governing statutes or regulations, so because the Order does not refer specifically to utility expenditures or rates, respectively, each word retains its plain meaning, and the appearance of the words in a Commission order does not implicate recovery of costs from ratepayers.

14. With regard to shareholder or customer funding of the additional \$500 million in wildfire liability insurance coverage, the Commission made no finding but rather sought

² 704.001(3).

information regarding prudent and reasonable funding options. Staff's assertion that the Order could be interpreted as a finding that NV Energy's customers (not shareholders) will be entirely responsible for the costs associated with that increased coverage is without merit or foundation. In the Commission's July 3, 2025, Order, the Commission sought details "of how claims will be processed up to and including claim payments by NPC and SPPC shareholders," clearly indicating some shareholder payment. Instead of dictating the exact shareholder and customer funding percentages, the Commission in its Order sought further details on the additional wildfire liability insurance product to ascertain the most reasonable funding percentages.

B. BCP's Petition for Reconsideration

15. BCP states that the Order violates statutory and constitutional provisions under NRS 703.373(11)(a) due to the Commission's failure to render its final decision within the maximum 210-day requirement after NV Energy filed its Application on January 2, 2025, which should have been approved or disapproved by July 31, 2025. (BCP Pet. at 2-3.) BCP requests the Commission reconsider by amending the ordering provisions of the Order to align with the denial in the findings of fact and conclusions of law provisions of the Order. (*Id.* at 6.) BCP asserts that Nevada law does not permit utilities to start a case over and submit new evidence in the same docket(s) once the 210 days have expired. (*Id.* at 7.)

16. BCP requests that the Commission amend the ordering provisions of the Order to be consistent with the denial because NV Energy failed to prove the prudence of the proposed captive insurance policy, and paragraph 55 is a prerequisite for the Commission to approve NV Energy's Application. (*Id.* at 6.)

17. BCP states that the Order exceeded the statutory authority of the Commission under NRS 703.373(11)(b). (*Id.* at 7.) BCP states that NRS 704.110 does not authorize the

Commission to extend beyond the 210 days, nor is there an explicit statute permitting such an extension. (*Id.*) BCP states that the Order, as it is written, allows NV Energy to refile and re-prosecute its Joint Application without having to correct a deficient application. (*Id.*) BCP states that, therefore, the Order should be deemed a denial. (*Id.*)

18. BCP states that the Order was issued through unlawful procedures under NRS 703.373(11)(c) because the Commission cannot permit NV Energy to introduce new evidence in a docket after the 210-day period has elapsed. (*Id.* at 8.)

19. BCP states that the Order violates NRS 703.373(11)(e) due to a lack of substantial evidence and requests that the Commission modify the Order to deny NV Energy's Applications. (*Id.* at 8, 10.) BCP states that paragraph 55 of the Order shows that NV Energy failed to meet its burden to demonstrate that the requests were prudent. (*Id.* at 9.) BCP states that the Commission's Order lacks findings on how the \$500-million additional coverage would be provided, making it incapable of being carried out as written. (*Id.*)

20. BCP states that the Commission's Order is arbitrary and capricious, violating NRS 703.373(11)(f) due to a lack of substantial evidence. (*Id.* at 11.)

NV Energy's Answer

21. NV Energy states that the Order is clear that the Commission decided to "grant in part and deny in part" the Joint Application. NV Energy states that the Commission granted its application in part with regard to the proposed amount of increased insurance coverage and states that the order cannot be interpreted as denying the Joint Application in whole, as BCP suggests. (NV Energy Answer at 3, FN9.)

22. NV Energy states that the Commission's order included a directive for NV Energy to submit additional information for a second phase of these dockets by October 15 and notice

that the Commission will hold a prehearing conference to establish a procedural schedule, allowing ample time for participation. (*Id.* at 12.)

Commission Discussion and Findings

23. Pursuant to NRS 704.110(11), “if a public utility files with the Commission an application to make changes in any schedule, the Commission shall, not later than 210 days after the date on which the application is filed, issue a written order approving or disapproving, in whole or in part, the proposed changes.” Here, the Commission issued, within 210 days, a written Order approving in part and disapproving in part the Joint Application’s proposal.

24. The Commission’s partial approval of the Joint Application relates to the proposed \$500 million amount of wildfire liability coverage, and the partial disapproval relates to the specific terms of NV Energy’s proposed insurance policy. In its Order, the Commission found that the amount of coverage proposed by NV Energy is reasonable and prudent but concluded that NV Energy failed to demonstrate the reasonableness and prudence of the proposed insurance policy as the mechanism for achieving such coverage. The Commission’s decision amounts to approving in part and disapproving in part the application in compliance with NRS 704.110(11). Accordingly, the Commission rejects BCP’s argument alleging noncompliance with NRS 704.110(11).

25. The Commission similarly rejects BCP’s perplexing argument that the Commission cannot within these dockets continue its examination of the parts of NV Energy’s application that it did not approve in the Order. While BCP asserts that it is unlawful to allow NV Energy “to have another opportunity to ‘restart’ the case and supply additional documents and testimony in support of [its] application beyond the 210-day deadline...in the same docket(s),” BCP also acknowledges that the Commission could require NV Energy to refile a new application

that contains the information that the Commission ordered NV Energy to file in these dockets. (BCP Answer at 7-8.)

26. The Commission's decision to continue its examination of NV Energy's Joint Application in the same dockets, Docket Nos. 25-01018 and 25-01019, achieves numerous benefits compared to the alternative of simply requiring NV Energy to file a new application that contains the supplemental information that the Commission demands from NV Energy. The Commission met its obligations under NRS 704.110 to issue an order within 210 days, and thus, there is no timeframe attached to the next phase of these proceedings. If the parties desire an additional 210 days from the date of the October 15, 2025, filing, the Commission finds such a request reasonable, and it can be discussed at the next prehearing conference. The Commission is fully respecting parties' due process rights by scheduling another prehearing conference, allowing additional testimony, and holding a hearing where the information contained in the October 15, 2025, filing can be addressed. The Commission's intention in requiring NV Energy to file the supplemental information in these dockets is to prioritize transparency by maintaining the complete history of NV Energy's insurance proposal within the same record. Many members of the public subscribe to Commission dockets and follow Commission proceedings, so continued use of these dockets will afford greater ease of access and avoid public confusion regarding the remaining scope of the proceedings given the phase-one findings contained in the Order. There are also administrative efficiencies and cost savings from avoiding duplicative proceedings and not unnecessarily initiating new dockets.

27. BCP is incorrect to the extent that it suggests the Commission lacks authority to continue its review of the unapproved parts of the Joint Application, and to allow NV Energy to supplement its application with additional information. Pursuant to NRS 704.120(5), "[t]he

Commission may at any time, upon its own motion, investigate any of the rates, tolls, charges, rules, regulations, practices and service, and, after a full hearing as above provided, by order, make such changes as may be just and reasonable, the same as if a formal complaint had been made.” Additionally, as noted previously, the Commission has a statutory duty to exercise its regulatory authority as necessary to provide for the prudent operation and service of public utilities.³ The Commission’s role in presiding over contested cases is more than declaring winners and losers; it must pursue outcomes that are in the public interest. Here, rather than simply rejecting and discarding NV Energy’s proposal based on a lack of information, the Commission finds that it is in the public interest to obtain additional evidence to thoroughly examine a concept that may be a prudent solution to an unprecedented challenge.

C. NRA, NGM, Peppermill, MGM, Caesars, and SNGG’s Petition for Reconsideration

28. NRA, NGM, Peppermill, MGM, Caesars, and SNGG (collectively, the “Joint Petitioners”) request clarification that the Order does not authorize or make prudence determinations regarding the Application for \$500 million in additional insurance. (Joint Petitioners Pet. at 1.) Joint Petitioners state that the Order is contradictory, as it proposes a prudent insurance coverage range of \$1 to \$1.5 billion while also recognizing that the existing record is insufficient to approve NV Energy’s request for additional insurance. (*Id.* at 4.) Joint Petitioners state that the Order should clarify that the Commission is not making a prudence determination regarding NV Energy’s total liability insurance increase. (*Id.*) Joint Petitioners request that the Commission reconsider paragraph 44 to indicate that it will make prudence findings in the next phase when a proper factual record is available. (*Id.*)

³ NRS 704.001.

29. Joint Petitioners request that the Commission reconsider paragraphs 1, 2, 44, and 55 of the Order due to NV Energy's lack of required support for its requested relief. (*Id.* at 5.) Joint Petitioners request that the Commission clarify that the information NV Energy is required to submit for the next phase of proceedings constitutes an amendment to the Applications, thereby restarting the NRS 704.110 clock for the Commission's decision. (*Id.*)

30. Joint Petitioners request that the Commission reconsider the Order's findings, if intended, that \$1 to \$1.5 billion in total liability insurance was prudent, or to approve NC Energy's request for \$500 million in additional insurance, as Joint Petitioners argue that they are unsupported by substantial evidence and therefore are arbitrary and capricious. (*Id.*) Joint Petitioners request reconsideration of paragraphs 39, 44, 46, and Order paragraphs 1 and 2 based on Joint Petitioners' assertion that there is insufficient evidence to justify the need for an additional \$500 million in insurance for NV Energy. (*Id.* at 5-6.) Joint Petitioners request reconsideration of paragraph 45 regarding the Commission's findings about NV Energy's support for its \$500 million request, alongside a recognition that the risk of a credit downgrade does not justify such insurance, based on Joint Petitioners' assertion that the findings are arbitrary and capricious. (*Id.* at 6.) Joint Petitioners request reconsideration of paragraph 42 regarding the Commission's comparison of NV Energy to SDG&E on wildfire risk, which Joint Petitioners state is arbitrary and capricious because it overlooks the effects of California's inverse condemnation law. (*Id.* at 7.) Joint Petitioners request reconsideration of paragraph 43 because the Commission's findings related to NV Energy's annual risk of catastrophic wildfire are, according to Joint Petitioners, arbitrary and capricious. (*Id.* at 8.) Joint Petitioners request reconsideration of paragraph 44 regarding the Commission's determination that \$1 to \$1.5 billion

in insurance coverage is prudent, which Joint Petitioners state is unsupported by substantial evidence and based on arbitrary and capricious findings. (*Id.* at 8-9.)

BCP's Answer

31. The BCP agrees with the Joint Petitioners' argument regarding inconsistencies in the Order and supports seeking clarification that the Commission is not making prudence determinations to increase NV Energy's total liability insurance to \$1 to \$1.5 billion. (BCP Answer at 2.) The BCP also agrees with the Joint Petitioners' argument that the Order is unsupported by substantial evidence. (*Id.*)

SEA, Wynn, and Haas's Answer

32. SEA, Wynn, and Haas agree with the Joint Petitioners that the Commission should address the approval of NV Energy's self-insurance proposal based on the record as a whole for the second phase, which would also benefit ratepayers. (SEA/Wynn/Haas Answer at 3). SEA, Wynn, and Haas also agree that the Order does not limit the Commission's discretion to grant or deny, as modified, the Joint Application based on the evidence presented. (*Id.*)

33. SEA, Wynn, and Haas agree that the Commission must clarify that no binding prudence findings were made beyond those explicitly stated. (*Id.*)

NV Energy's Answer

34. NV Energy argues that if the Commission agrees with the Joint Petitioners that additional insurance coverage is needed, the second phase of the proceedings would be redundant. (NV Energy Answer at 3.) NV Energy states that the second phase should instead focus on structuring the necessary additional \$500 million in coverage. (*Id.*)

35. NV Energy states that substantial evidence does not need to be extensive and that the burden lies with the challenging party to demonstrate a lack of supporting evidence for the

Commission's decision. (*Id.* at 7.) NV Energy argues that the Commission's determination that \$500 million in additional insurance is reasonable is supported by numerous testimonies by NV Energy and detailed findings by the Commission, and extensive record evidence, addressing more than just the risk of a credit downgrade. (*Id.* at 7-8.)

36. NV Energy states that the Commission considered several factors to compare with SDG&E, noting that inverse condemnation is not the main financial risk for California utilities. (*Id.* at 9-10.) NV Energy states that, instead, the main risk comes from the scale of third-party damage claims. (*Id.* at 10.) NV Energy argues that there is substantial evidence supporting SDG&E's annual insurance as a reasonable benchmark, emphasizing that an additional \$500 million in insurance is justified. (*Id.*)

37. NV Energy states that the Commission's conclusion that \$1 to \$1.5 billion in coverage is reasonable is backed by substantial evidence, as the legal theory of liability does not primarily determine the utility's risk, which remains significant even with reasonable precautions. (*Id.* at 11.)

Commission Discussion and Findings

38. As the Commission stated in its Order, the Commission finds an additional \$500 million in wildfire liability insurance coverage a prudent approach for NV Energy but also orders a second phase focusing on structuring that additional \$500 million in coverage. The Commission's determination that seeking \$500 million in additional insurance is reasonable is supported by numerous testimonies by NV Energy and detailed findings by the Commission, and extensive record evidence, addressing more than just the risk of a credit downgrade.

39. As outlined in its Order, the Commission considered substantial evidence supporting SDG&E's annual insurance as a reasonable benchmark, emphasizing that an

additional \$500 million in insurance is justified. The Commission's conclusion that \$1 to \$1.5 billion in coverage total for NV Energy is reasonable is backed by substantial evidence, as the legal theory of liability does not primarily determine the utility's risk, which remains significant even with reasonable precautions. The Commission reiterates here that it considered but ultimately did not agree with BCP's arguments regarding wildfire risks in Nevada. The Commission also notes that its disagreement with an argument does not mean that the argument was not considered; here, the Commission found that there was substantial evidence supporting a competing claim.

D. NGM's Supplemental Petition

40. NGM requests reconsideration of the Order based on its argument that there was inadequate notice of NV Energy's Application, depriving NGM of the ability to appropriately intervene and participate in the proceeding, thereby violating its due process rights under the Fourteenth Amendment of the United States Constitution. (NGM's Supplemental Petition at 1-2.) NGM states that NV Energy's Application lacked a rate-impact analysis of the effects on its predominant rate classes, such as NGM's, and other rate classes substantially affected by NV Energy's proposal. (*Id.* at 3.) NGM states that the Commission cannot assess the reasonableness or prudence of financial support without understanding its impact on ratepayers, including NGM, and that the insufficient notice prevented NGM from investigating the appropriateness of NV Energy's proposed self-insurance amount. (*Id.* at 4.)

BCP's Answer

41. BCP agrees that NGM's due-process rights were violated based on inadequate notice in this docket. (BCP Answer at 1.)

NV Energy's Answer

42. NV Energy argues that the Commission should reject NGM's petition because it directly informed NGM about the filing, and the Commission granted NGM's intervention, allowing NGM to participate in the hearing and cross-examine witnesses. (NV Energy's Answer at 13.) NV Energy adds that the Joint Application plainly set forth proposed effects on customers, including specific impacts to kilowatt-hour rates—information that NV Energy states was sufficient to alert any high-usage, sophisticated customer, such as NGM, to the potential consequences of the proposal. (*Id.*)

Commission Discussion and Findings

43. The Commission granted NGM intervention in these dockets with reasonable limitations due to the late nature of the request for intervention. The Commission finds NGM's arguments moot because NGM ultimately was allowed to intervene in these dockets and can participate fully as a party going forward in the next phase of these dockets. The Commission notes that there is no impact to any ratepayer, including NGM, as a result of the Commission's July 30, 2025, Order.

Therefore, it is ordered:

1. The Petition for Clarification of the Regulatory Operations Staff is granted.
2. The Petition for Reconsideration of the Bureau of Consumer Protection is granted.
3. The Joint Petition for Clarification and Reconsideration of the Nevada Resort Association, Nevada Gold Mines LLC, Peppermill Casinos, Inc., MGM Resorts International, Caesars Entertainment Services and Southern Nevada Gaming Group is granted.

- 4. The Supplemental Petition for Reconsideration of the Nevada Gold Mines LLC is granted.
- 5. The Commission reaffirms its July 30, 2025, Order.

By the Commission,




HAYLEY WILLIAMSON, Chair and Presiding Officer



TAMMY CORDOVA, Commissioner



RANDY J. BROWN, Commissioner

Attest: 

TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

9/17/25

(SEAL)

