
ASSEMBLY BILL NO. 168—COMMITTEE ON GOVERNMENT AFFAIRS

FEBRUARY 9, 1999

Referred to Committee on Government Affairs

SUMMARY—Extends statutory deadline by which customers may begin obtaining potentially competitive services relating to provision of electric service from alternative seller. (BDR 58-947)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to electricity; extending the statutory deadline by which customers may begin obtaining potentially competitive services relating to the provision of electrical service from an alternative seller; extending the deadline for certain contingent reporting; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 704.976 is hereby amended to read as follows:
2 704.976 1. The date upon which customers may begin obtaining
3 generation, aggregation and any other potentially competitive services
4 from an alternative seller must be no later than ~~December 31, 1999,~~
5 ***March 1, 2000***, unless the commission determines that a different date is
6 necessary to protect the public interest. If the commission determines that a
7 different date is necessary, the commission shall provide a report to the
8 director of the legislative counsel bureau for transmittal to the ~~legislature~~
9 ~~by February~~ ***legislative commission by October*** 1, 1999, which:
10 (a) Explains the reason that the commission has not granted such an
11 authorization; and
12 (b) States whether the commission will grant such an authorization by
13 ~~December 31, 1999,~~ ***March 1, 2000***.
14 2. The commission may:
15 (a) Establish different dates for the provision of different services by
16 alternative sellers in different geographic areas; and

1 (b) Authorize, in gradual phases, the right to buy from alternative
2 sellers.

3 3. The commission shall determine that an electric service is a
4 potentially competitive service if provision of the service by alternative
5 sellers:

6 (a) Will not harm any class of customers;

7 (b) Will decrease the cost of providing the service to customers in this
8 state or increase the quality or innovation of the service to customers in
9 this state;

10 (c) Is a service for which effective competition in the market is likely to
11 develop;

12 (d) Will advance the competitive position of this state relative to
13 surrounding states; and

14 (e) Will not otherwise jeopardize the safety and reliability of the electric
15 service in this state.

16 4. If the commission determines that a market for a potentially
17 competitive service does not have effective competition, the commission
18 shall, by regulation, establish the method for determining prices for the
19 service and the terms and conditions for providing the service. The
20 regulations must ensure that the pricing method, terms and conditions are
21 just and reasonable and not unduly discriminatory. The regulations may
22 include pricing alternatives which authorize the seller to reduce prices
23 below maximum pricing levels specified by the commission or any other
24 form of alternative pricing which the commission determines to be
25 consistent with the provisions of this subsection. In determining whether a
26 market for an electric service has effective competition, the commission
27 shall:

28 (a) Identify the relevant market;

29 (b) Identify, where feasible, the alternative sellers that participate and
30 are reasonably expected to participate in the relevant market; and

31 (c) Calculate, where feasible, the market share of each participant in the
32 market and evaluate the significance of each share.

33 5. On or before October 1, 2000, the commission shall submit to the
34 director of the legislative counsel bureau for transmittal to the appropriate
35 legislative committee a report which:

36 (a) Evaluates the effectiveness of competition in the market for each
37 service which customers have the right to purchase from alternative sellers;
38 and

39 (b) Recommends actions which the legislature should take to increase
40 the effectiveness of competition in the markets for all potentially
41 competitive services.

42 6. On or before October 1, 2001, an electric service that has been
43 found to be potentially competitive shall be deemed to be competitive.

1 7. The commission may reconsider any determination made pursuant
2 to this section upon its own motion or upon a showing of good cause by a
3 party requesting a reconsideration. Upon a finding by the commission that
4 the market for a service previously found not to have effective competition
5 has become effectively competitive, the commission shall repeal the
6 regulations which established the pricing methods and the terms and
7 conditions for providing that service. The commission shall conduct any
8 proceedings for the reconsideration of any such determination as
9 expeditiously as practicable considering the current work load of the
10 commission and the need to protect the public interest.

11 8. A vertically integrated electric utility shall not provide a potentially
12 competitive service except through an affiliate:

13 (a) On or after ~~December 31, 1999;~~ *March 1, 2000;* or

14 (b) The date on which the commission determines that the service is
15 potentially competitive,
16 whichever is later.

17 **Sec. 2.** This act becomes effective upon passage and approval.