ASSEMBLY BILL NO. 449–ASSEMBLYMEN LESLIE, GIBBONS, BROWER, NOLAN, ANDERSON, FREEMAN, KOIVISTO, MCCLAIN, VON TOBEL, MANENDO AND PARKS

MARCH 10, 1999

Referred to Committee on Government Affairs

SUMMARY—Revises procedures for consideration by public utilities commission of Nevada of applications for certain orders concerning securities. (BDR 58-1352)

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 the public utilities commission of Nevada; providing that an application for an order authorizing the issuance of securities or the assumption of any obligation in respect to any security of another shall be deemed to be granted if not acted upon by the commission within a certain period; and providing other matters properly relating thereto.

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

Section 1. NRS 704.324 is hereby amended to read as follows:

704.324 1. Upon receipt of an application for an order authorizing the issuance of any security or the assumption of any obligation in respect to any security of another, the commission may grant the application in whole or in part and with such modifications and upon such terms and conditions as it may find necessary or appropriate. ***Such an application shall be deemed to be granted by the commission if the commission has not:***

(a) Held a hearing on the application within 60 days after the date on which the commission received the application; or

(b) Issued an order granting or denying the application within 90 days after the date on which the commission received the application.

2. The commission may authorize the issuance of a variable-rate security and it may authorize the public utility to use a method for accounting and rate making for an existing or new variable-rate security

which ensures that the recovery of the utility's expenses for issuing or maintaining that security from the rates charged to its customers will equal the interest or dividends actually paid on the security.

3. The commission shall not require a public utility to issue or maintain a variable-rate security if the recovery of the utility's expenses for issuing or maintaining that security from the rates charged to its customers does not equal the interest or dividends actually paid on the security.

4. The commission may from time to time make such supplemental orders in the premises as it may find necessary or appropriate. The supplemental order may modify the provisions of any previous order as to the particular purposes, uses and extent to which, or the conditions under which, any security theretofore authorized or the proceeds thereof may be applied.

5. The commission shall not make any order or supplemental order granting any application hereunder unless it finds that the issue or assumption:

(a) Is for some lawful object, within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service; and

(b) Is reasonably necessary or appropriate for those purposes.

6. The commission shall not authorize the capitalization of the right to be a corporation or any franchise, permit or contract for consolidation, merger or lease in excess of the amount, exclusive of any tax or annual charge, actually paid as the consideration for the right, franchise, permit or contract.

Sec. 2. For the purposes of the amendatory provisions of this act, an application for an order authorizing the issuance of any security or the assumption of any obligation in respect to any security of another that is pending before the public utilities commission of Nevada on the effective date of this act shall be deemed to have been received by the commission on the effective date of this act.

Sec. 3. This act becomes effective upon passage and approval.

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