
SENATE BILL NO. 543—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF CITY OF RENO)

MARCH 22, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Authorizes recovery by public utility of cost of larger water lines constructed in anticipation of development. (BDR 58-670)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to public utilities; authorizing a public utility that provides water to recover the additional cost of larger lines constructed in anticipation of development; 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.** Chapter 704 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 ***1. A public utility that provides water may construct lines larger than***
4 ***those needed to serve existing customers in anticipation of the addition of***
5 ***customers as the result of future development. A public utility that***
6 ***constructs larger lines for this purpose may record upon its books and***
7 ***records the additional cost so incurred and is entitled to recover this cost***
8 ***as an increase in rate base upon the completion of the construction of the***
9 ***larger lines and recover the cost in the future, as property is developed,***
10 ***from the developer of property upon which the additional customers will***
11 ***be located. Any amount of the cost that is later recovered from a***
12 ***developer must be credited to rate base upon recovery.***

13 ***2. The commission shall provide by regulation for the manner and***
14 ***time of the increase in rate base and the recording and recovery***
15 ***authorized by this section.***

- 1 3. *As used in this section:*
- 2 (a) *“Development” includes both the subdivision of land and the*
- 3 *construction of improvements upon unimproved land.*
- 4 (b) *“Public utility” includes a local government that provides water.*

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