

ASSEMBLY BILL NO. 349—ASSEMBLYMEN GOLDWATER, PARNELL, GIBBONS, DE BRAGA, BACHE, ANDERSON, ARBERRY, BUCKLEY, CLABORN, COLLINS, DINI, FREEMAN, GIUNCHIGLIANI, LEE, LESLIE, MANENDO, MCCLAIN, MORTENSON, NEIGHBORS, OCEGUERA, PARKS, PERKINS, PRICE, SMITH AND WILLIAMS

MARCH 13, 2001

Referred to Select Committee on Energy

SUMMARY—Establishes universal energy charge to fund low-income energy assistance and conservation. (BDR 58-1264)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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 energy; establishing the universal energy charge to fund low-income energy assistance and conservation; requiring certain retail customers to pay the universal energy charge; requiring certain public utilities and municipal utilities to perform certain functions related to the universal energy charge; creating the fund for energy assistance and conservation to be administered by the welfare division of the department of human resources; setting forth the purposes for which money in the fund may be used; setting forth the criteria to determine the eligibility of a household to receive assistance from money in the fund; authorizing certain agencies to render emergency assistance to households in certain circumstances; 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.** Title 58 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 2 to 19,
3 inclusive, of this act.
4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 12, inclusive, of*
6 *this act have the meanings ascribed to them in those sections.*
7 **Sec. 3.** *“Calendar quarter” means each period of 3 consecutive*
8 *calendar months ending on March 31, June 30, September 30 and*
9 *December 31 in each calendar year.*
10 **Sec. 4.** *“Commission” means the public utilities commission of*
11 *Nevada.*



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- 1 *Sec. 5. "Fund" means the fund for energy assistance and*
2 *conservation created by section 16 of this act.*
- 3 *Sec. 6. "Housing division" means the housing division of the*
4 *department of business and industry.*
- 5 *Sec. 7. "Municipal utility" includes, without limitation:*
6 1. *A utility established pursuant to chapter 709 or 710 of NRS.*
7 2. *Any other utility that is owned, operated or controlled by a county,*
8 *city or other local governmental entity.*
- 9 *Sec. 8. "Person" means:*
10 1. *A natural person;*
11 2. *Any form of business or social organization and any other*
12 *nongovernmental legal entity, including, without limitation, a*
13 *corporation, partnership, association, trust or unincorporated*
14 *organization;*
15 3. *A government or an agency or instrumentality of a government,*
16 *including, without limitation, this state or an agency or instrumentality*
17 *of this state; and*
18 4. *A political subdivision of this state or of any other government or*
19 *an agency or instrumentality of a political subdivision of this state or of*
20 *any other government.*
- 21 *Sec. 9. "Public utility" has the meaning ascribed to it in NRS*
22 *704.020 and 704.030.*
- 23 *Sec. 10. 1. "Retail customer" means an end-use customer that*
24 *purchases natural gas or electricity for consumption in this state.*
25 2. *The term includes, without limitation:*
26 (a) *A residential, commercial or industrial end-use customer that*
27 *purchases natural gas or electricity for consumption in this state.*
28 (b) *A landlord of a mobile home park or owner of a company town*
29 *who is subject to any of the provisions of NRS 704.905 to 704.960,*
30 *inclusive.*
31 (c) *A landlord who pays for natural gas or electricity that is delivered*
32 *through a master meter and who distributes or resells the natural gas or*
33 *electricity to one or more tenants for consumption in this state.*
34 3. *The term does not include this state, a political subdivision of this*
35 *state or an agency or instrumentality of this state or political subdivision*
36 *of this state when it is an end-use customer that purchases natural gas or*
37 *electricity for consumption in this state.*
- 38 *Sec. 11. "Universal energy charge" means the charge imposed*
39 *pursuant to section 14 of this act.*
- 40 *Sec. 12. "Welfare division" means the welfare division of the*
41 *department of human resources.*
- 42 *Sec. 13. 1. The provisions of section 14 of this act do not apply to*
43 *any therm of natural gas or any kilowatt-hour of electricity that a retail*
44 *customer purchases from:*
45 (a) *A rural electric cooperative established pursuant to chapter 81 of*
46 *NRS.*
47 (b) *A general improvement district established pursuant to chapter*
48 *318 of NRS.*



1 (c) *A cooperative association, nonprofit corporation, nonprofit*
2 *association or provider of service which is declared to be a public utility*
3 *pursuant to NRS 704.673 and which provides service only to its members.*
4 2. *If a retail customer is exempted from paying the universal energy*
5 *charge pursuant to subsection 1, the retail customer may not receive*
6 *money or other assistance from:*
7 (a) *The welfare division pursuant to section 17 of this act for any*
8 *utility service for which the retail customer is exempted from paying the*
9 *universal energy charge; or*
10 (b) *The housing division pursuant to section 18 of this act.*
11 **Sec. 14.** 1. *Except as otherwise provided in this section and section*
12 *13 of this act, each retail customer shall pay:*
13 (a) *A universal energy charge of 3.3 mills on each therm of natural*
14 *gas that the retail customer purchases from another person for*
15 *consumption in this state; and*
16 (b) *A universal energy charge of 0.39 mills on each kilowatt-hour of*
17 *electricity that the retail customer purchases from another person for*
18 *consumption in this state.*
19 2. *The provisions of subsection 1 do not apply to any therm of*
20 *natural gas used as a source of energy to generate electricity.*
21 3. *If a retail customer uses the distribution services of a public utility*
22 *or municipal utility to acquire natural gas or electricity that is subject to*
23 *the universal energy charge, the public utility or municipal utility*
24 *providing the distribution services shall:*
25 (a) *Collect the universal energy charge from each such retail*
26 *customer;*
27 (b) *Ensure that the universal energy charge is set forth as a separate*
28 *item or entry on the bill of each such retail customer; and*
29 (c) *Not later than 30 days after the end of each calendar quarter,*
30 *remit to the commission the total amount of money collected by the*
31 *public utility or municipal utility for the universal energy charge for the*
32 *immediately preceding calendar quarter.*
33 4. *If a retail customer does not use the distribution services of a*
34 *public utility or municipal utility to acquire natural gas or electricity that*
35 *is subject to the universal energy charge, not later than 30 days after the*
36 *end of each calendar quarter, the retail customer shall remit to the*
37 *commission the total amount of money owed by the retail customer for*
38 *the universal energy charge for the immediately preceding calendar*
39 *quarter.*
40 5. *If, during a calendar quarter, a single retail customer or multiple*
41 *retail customers under common ownership and control pay, in the*
42 *aggregate, a universal energy charge of more than \$25,000 for all*
43 *consumption of natural gas and electricity during the calendar quarter,*
44 *such retail customers are entitled to a refund, for that calendar quarter,*
45 *of the amount of the universal energy charge that exceeds \$25,000. To*
46 *receive a refund pursuant to this section, not later than 90 days after the*
47 *end of the calendar quarter for which the refund is requested, such retail*
48 *customers must file with the commission a request for a refund. If a*
49 *request for a refund is filed with the commission:*



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1 (a) The commission shall determine and certify the amount of the
2 refund; and

3 (b) The refund must be paid as other claims against the state are paid
4 from money in the fund.

5 **Sec. 15.** 1. The commission shall adopt regulations to carry out
6 and enforce the provisions of section 14 of this act. Such regulations may
7 require public utilities, municipal utilities and retail customers that are
8 required to collect or remit money for the universal energy charge to file
9 reports and to provide the commission with information relating to
10 compliance with the requirements of the universal energy charge.

11 2. In carrying out the provisions of section 14 of this act, the
12 commission shall solicit advice from the bureau of consumer protection
13 in the office of the attorney general, public utilities and municipal
14 utilities and other knowledgeable persons.

15 3. The commission may conduct audits and investigations of public
16 utilities, municipal utilities and retail customers that are required to
17 collect or remit money for the universal energy charge, if the commission
18 determines that such audits and investigations are necessary to verify
19 compliance with the requirements of the universal energy charge. In
20 conducting such audits and investigations, the commission may exercise
21 any of the investigative powers granted to the commission pursuant to
22 chapter 703 of NRS, including, without limitation, the power to issue
23 orders to compel the appearance of witnesses and the production of
24 books, accounts, papers and records.

25 4. To carry out its powers and duties pursuant to this chapter, the
26 commission is entitled to an administrative charge of not more than 3
27 percent of the money collected for the universal energy charge. After
28 deduction of its administrative charge, the commission shall deposit the
29 remaining money collected for the universal energy charge in the state
30 treasury for credit to the fund.

31 5. The commission may bring an appropriate action in its own name
32 for recovery of any money that a person fails to pay, collect or remit in
33 violation of the requirements of the universal energy charge.

34 **Sec. 16.** 1. There is hereby created as a special revenue fund in the
35 state treasury the fund for energy assistance and conservation. The
36 welfare division shall administer the fund.

37 2. In addition to the money that must be credited to the fund from the
38 universal energy charge, all money received from private or public
39 sources to carry out the purposes of this chapter must be deposited in the
40 state treasury for credit to the fund.

41 3. The welfare division shall, to the extent practicable, ensure that
42 the money in the fund is administered in a manner which is coordinated
43 with all other sources of money that are available for energy assistance
44 and conservation, including, without limitation, money contributed from
45 private sources, money obtained from the Federal Government and
46 money obtained from any agency or instrumentality of this state or a
47 political subdivision of this state.

48 4. The interest and income earned on the money in the fund, after
49 deducting any applicable charges, must be credited to the fund. All



1 *claims against the fund must be paid as other claims against the state are*
2 *paid.*

3 *5. After deduction of any refunds paid from the fund pursuant to*
4 *section 14 of this act, the money in the fund must be distributed pursuant*
5 *to sections 17 and 18 of this act.*

6 **Sec. 17.** *1. Seventy-five percent of the money in the fund must be*
7 *distributed to the welfare division for a program to assist households in*
8 *paying for electricity and natural gas. The welfare division may use not*
9 *more than 3 percent of the money distributed to it pursuant to this section*
10 *for its administrative expenses.*

11 *2. Except as otherwise provided in section 13 of this act, after*
12 *deduction for its administrative expenses, the welfare division may use*
13 *the money distributed to it pursuant to this section only to:*

14 *(a) Assist households in paying for electricity and natural gas.*

15 *(b) Carry out activities related to consumer outreach.*

16 *(c) Pay for program design.*

17 *(d) Pay for the annual evaluations conducted pursuant to section 19*
18 *of this act.*

19 *3. Except as otherwise provided in subsection 4, to be eligible to*
20 *receive assistance from the welfare division pursuant to this section, a*
21 *household must have a household income that is not more than 150*
22 *percent of the federally designated level signifying poverty, as determined*
23 *by the welfare division.*

24 *4. The welfare division is authorized to render emergency assistance*
25 *to a household if an emergency related to the cost or availability of*
26 *electricity or natural gas threatens the health or safety of one or more of*
27 *the members of the household. Such emergency assistance may be*
28 *rendered upon the good faith belief that the household is otherwise*
29 *eligible to receive assistance pursuant to this section.*

30 *5. Before July 1, 2002, if a household is eligible to receive assistance*
31 *pursuant to this section, the welfare division shall determine the amount*
32 *of assistance that the household will receive by using the existing*
33 *formulas set forth in the state plan for low-income home energy*
34 *assistance.*

35 *6. On or after July 1, 2002, if a household is eligible to receive*
36 *assistance pursuant to this section, the welfare division:*

37 *(a) Shall, to the extent practicable, determine the amount of assistance*
38 *that the household will receive by determining the amount of assistance*
39 *that is sufficient to reduce the percentage of the household's income that*
40 *is spent on electricity and natural gas to the median percentage of*
41 *household income spent on electricity and natural gas statewide.*

42 *(b) May adjust the amount of assistance that the household will*
43 *receive based upon such factors as:*

44 *(1) The income of the household;*

45 *(2) The size of the household;*

46 *(3) The type of energy that the household uses; and*

47 *(4) Any other factor which, in the determination of the welfare*
48 *division, may make the household particularly vulnerable to increases in*
49 *the cost of electricity or natural gas.*



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1 7. *The welfare division shall adopt regulations to carry out and*
2 *enforce the provisions of this section and section 16 of this act.*

3 8. *In carrying out the provisions of this section, the welfare division*
4 *shall:*

5 (a) *Solicit advice from the housing division and from other*
6 *knowledgeable persons;*

7 (b) *Identify and implement appropriate delivery systems to distribute*
8 *money from the fund and other assistance pursuant to this section;*

9 (c) *Coordinate with other federal, state and local agencies that provide*
10 *energy assistance or conservation services to low-income persons and, to*
11 *the extent allowed by federal law and to the extent practicable, use the*
12 *same simplified application forms as those other agencies;*

13 (d) *Establish a process for evaluating the programs conducted*
14 *pursuant to this section;*

15 (e) *Develop a process for making changes to such programs; and*

16 (f) *Engage in annual planning and evaluation processes with the*
17 *housing division as required by section 19 of this act.*

18 **Sec. 18.** *1. Twenty-five percent of the money in the fund must be*
19 *distributed to the housing division for programs of energy conservation,*
20 *weatherization and energy efficiency. The housing division may use not*
21 *more than 6 percent of the money distributed to it pursuant to this section*
22 *for its administrative expenses.*

23 *2. Except as otherwise provided in section 13 of this act, after*
24 *deduction for its administrative expenses, the housing division may use*
25 *the money distributed to it pursuant to this section only to:*

26 (a) *Provide an eligible household with services of basic home energy*
27 *conservation and home energy efficiency or to assist an eligible*
28 *household to acquire such services, including, without limitation,*
29 *services of load management.*

30 (b) *Pay for appropriate health and safety improvements associated*
31 *with energy conservation, weatherization and improvements for energy*
32 *efficiency.*

33 (c) *Carry out activities related to consumer outreach.*

34 (d) *Pay for program design.*

35 (e) *Pay for the annual evaluations conducted pursuant to section 19*
36 *of this act.*

37 *3. Except as otherwise provided in subsection 4, to be eligible to*
38 *receive assistance from the housing division pursuant to this section, a*
39 *household must have a household income that is not more than 150*
40 *percent of the federally designated level signifying poverty, as determined*
41 *by the housing division.*

42 *4. The housing division is authorized to render emergency assistance*
43 *to a household if the health or safety of one or more of the members of*
44 *the household is threatened because of the structural, mechanical or*
45 *other failure of:*

46 (a) *The unit of housing in which the household dwells; or*

47 (b) *A component or system of the unit of housing in which the*
48 *household dwells.*



1 *Such emergency assistance may be rendered upon the good faith belief*
2 *that the household is otherwise eligible to receive assistance pursuant to*
3 *this section.*

4 *5. The housing division shall adopt regulations to carry out and*
5 *enforce the provisions of this section.*

6 *6. In carrying out the provisions of this section, the housing division*
7 *shall:*

8 *(a) Solicit advice from the welfare division and from other*
9 *knowledgeable persons;*

10 *(b) Identify and implement appropriate delivery systems to distribute*
11 *money from the fund and other assistance pursuant to this section;*

12 *(c) Coordinate with other federal, state and local agencies that provide*
13 *energy assistance or conservation services to low-income persons and, to*
14 *the extent allowed by federal law and to the extent practicable, use the*
15 *same simplified application forms as those other agencies;*

16 *(d) Encourage other persons to provide resources and services,*
17 *including, to the extent practicable, schools and programs that provide*
18 *training in the building trades and apprenticeship programs;*

19 *(e) Establish a process for evaluating the programs conducted*
20 *pursuant to this section;*

21 *(f) Develop a process for making changes to such programs; and*

22 *(g) Engage in annual planning and evaluation processes with the*
23 *welfare division as required by section 19 of this act.*

24 **Sec. 19. 1.** *The welfare division and the housing division jointly*
25 *shall establish an annual plan to coordinate their activities pursuant to*
26 *this chapter. In preparing the annual plan, the divisions shall solicit*
27 *advice from knowledgeable persons. The annual plan must include,*
28 *without limitation, a description of:*

29 *(a) The resources and services being used by each program and the*
30 *efforts that will be undertaken to increase those resources and services;*

31 *(b) The efforts that will be undertaken to improve administrative*
32 *efficiency;*

33 *(c) The efforts that will be undertaken to coordinate with other*
34 *federal, state and local agencies, nonprofit organizations and any private*
35 *business or trade organizations that provide energy assistance or*
36 *conservation services to low-income persons;*

37 *(d) The measures concerning program design that will be undertaken*
38 *to improve program effectiveness; and*

39 *(e) The efforts that will be taken to address issues identified during the*
40 *most recently completed annual evaluation conducted pursuant to*
41 *subsection 2.*

42 **2.** *The welfare division and the housing division jointly shall:*

43 *(a) Conduct an annual evaluation of the programs that each division*
44 *carries out pursuant to sections 17 and 18 of this act;*

45 *(b) Solicit advice from the commission as part of the annual*
46 *evaluation; and*

47 *(c) Prepare a report concerning the annual evaluation and submit the*
48 *report to the governor, the legislative commission and the interim finance*
49 *committee.*



1 3. The report prepared pursuant to subsection 2 must include,
2 without limitation:

- 3 (a) A description of the objectives of each program;
4 (b) An analysis of the effectiveness and efficiency of each program in
5 meeting the objectives of the program;
6 (c) The amount of money distributed from the fund for each program
7 and a detailed description of the use of that money for each program;
8 (d) An analysis of the coordination between the divisions concerning
9 each program; and
10 (e) Any changes planned for each program.

11 **Sec. 20.** NRS 703.130 is hereby amended to read as follows:

12 703.130 1. The commission shall appoint a deputy commissioner
13 who shall serve in the unclassified service of the state.

14 2. The commission shall appoint a secretary who shall perform such
15 administrative and other duties as are prescribed by the commission. The
16 commission shall also appoint an assistant secretary.

17 3. The commission may employ such other clerks, experts or engineers
18 as may be necessary.

19 4. Except as otherwise provided in subsection 5, the commission:

20 (a) May appoint one or more hearing officers for a period specified by
21 the commission to conduct proceedings or hearings that may be conducted
22 by the commission pursuant to chapters 704, 704A, 705, 708 and 711 of
23 NRS ~~§~~ and sections 14 and 15 of this act.

24 (b) Shall prescribe by regulation the procedure for appealing a decision
25 of a hearing officer to the commission.

26 5. The commission shall not appoint a hearing officer to conduct
27 proceedings or hearings pursuant to sections 8 to 18, inclusive, of
28 *Assembly Bill No. 369* of this ~~act~~ session.

29 **Sec. 21.** NRS 703.147 is hereby amended to read as follows:

30 703.147 1. The public utilities commission regulatory fund is hereby
31 created as a special revenue fund. Except as otherwise provided in section
32 12 of *Senate Bill No. 372* of this ~~act~~ session and section 15 of this act,
33 all money collected by the commission pursuant to law must be deposited
34 in the state treasury for credit to the fund. Money collected for the use of
35 the consumer's advocate of the bureau of consumer protection in the office
36 of the attorney general must be transferred pursuant to the provisions of
37 subsection 8 of NRS 704.035.

38 2. Money in the fund which belongs to the commission may be used
39 only to defray the costs of:

40 (a) Maintaining staff and equipment to regulate adequately public
41 utilities and other persons subject to the jurisdiction of the commission.

42 (b) Participating in all rate cases involving those persons.

43 (c) Audits, inspections, investigations, publication of notices, reports
44 and retaining consultants connected with that regulation and participation.

45 (d) The salaries, travel expenses and subsistence allowances of the
46 members of the commission.

47 3. All claims against the fund must be paid as other claims against the
48 state are paid.



1 4. The commission must furnish upon request a statement showing the
2 balance remaining in the fund as of the close of the preceding fiscal year.

3 **Sec. 22.** NRS 703.150 is hereby amended to read as follows:

4 703.150 The commission shall ~~supervise~~ :

5 *1. Supervise* and regulate the operation and maintenance of public
6 utilities and other persons named and defined in chapters 704, 704A and
7 708 of NRS pursuant to the provisions of those chapters.

8 *2. Carry out the purposes and provisions of sections 14 and 15 of this*
9 *act and any other specific statute relating to the powers and duties of the*
10 *commission.*

11 **Sec. 23.** NRS 703.164 is hereby amended to read as follows:

12 703.164 1. The commission may employ, or retain on a contract
13 basis, legal counsel who shall:

14 (a) Except as otherwise provided in subsection 2, be counsel and
15 attorney for the commission in all actions, proceedings and hearings.

16 (b) Prosecute in the name of the ~~public utilities commission of Nevada~~
17 *commission* all civil actions for the enforcement of chapters 704, 704A,
18 705 and 708 of NRS *and sections 14 and 15 of this act* and for the
19 recovery of any penalty or forfeiture provided for therein.

20 (c) Generally aid the commission in the performance of its duties and
21 the enforcement of chapters 704, 704A, 705 and 708 of NRS ~~and~~ *and*
22 *sections 14 and 15 of this act.*

23 2. Each district attorney shall:

24 (a) Prosecute any violation of chapter 704, 704A, 705, 708 or 711 of
25 NRS for which a criminal penalty is provided and which occurs in his
26 county.

27 (b) Aid in any investigation, prosecution, hearing or trial held under the
28 provisions of chapter 704, 704A, 705, 708 or 711 of NRS and, at the
29 request of the commission or its legal counsel, act as counsel and attorney
30 for the commission.

31 3. The attorney general shall, if the district attorney fails or refuses to
32 do so, prosecute all violations of the laws of this state by public utilities
33 under the jurisdiction of the commission and their officers, agents and
34 employees.

35 4. The attorney general is not precluded from appearing in or moving
36 to intervene in any action and representing the interest of the State of
37 Nevada in any action in which the commission is a party and is represented
38 by independent counsel.

39 **Sec. 24.** NRS 703.197 is hereby amended to read as follows:

40 703.197 1. The commission may collect fees for the filing of any
41 official document required by this chapter and chapters 704, 704A, 705 and
42 708 of NRS or by a regulation of the commission.

43 2. Filing fees may not exceed:

44 (a) For applications, \$200.

45 (b) For petitions seeking affirmative relief, \$200.

46 (c) For each tariff page which requires public notice and is not attached
47 to an application, \$10. If more than one page is filed at one time, the total
48 fee may not exceed the cost of notice and publication.

49 (d) For all other documents which require public notice, \$10.



1 3. If an application or other document is rejected by the commission
2 because it is inadequate or inappropriate, the filing fee must be returned.

3 4. The commission may not charge any fee for filing ~~it~~ :

4 (a) A complaint.

5 (b) *A request for a refund pursuant to section 14 of this act.*

6 **Sec. 25.** Section 9 of Senate Bill No. 372 of this session is hereby
7 amended to read as follows:

8 Sec. 9. 1. “Retail customer” means ~~a customer who~~ *an end-*
9 *use customer that* purchases electricity ~~at retail;~~ *for consumption in*
10 *this state.*

11 2. The term includes, without limitation:

12 (a) This state, a political subdivision of this state or an agency or
13 instrumentality of this state or political subdivision of this state when
14 it *is an end-use customer that* purchases electricity ~~at retail; and~~ *for*
15 *consumption in this state.*

16 (b) *A residential, commercial or industrial end-use customer that*
17 *purchases electricity for consumption in this state.*

18 (c) A landlord of a mobile home park or owner of a company town
19 who is subject to any of the provisions of NRS 704.905 to 704.960,
20 inclusive.

21 (d) *A landlord who pays for electricity that is delivered through a*
22 *master meter and who distributes or resells the electricity to one or*
23 *more tenants for consumption in this state.*

24 **Sec. 26.** This act becomes effective upon passage and approval.

