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FIRST REPRINT S.B. 211

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SENATE BILL NO. 211—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF CITY OF HENDERSON)

FEBRUARY 20, 2001

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Referred to Committee on Natural Resources

SUMMARY—Revises provisions governing sale of electricity and provision of transmission and distribution services by Colorado River commission and requires certain public utilities to make their electric distribution facilities and services available to Colorado River commission under certain circumstances. (BDR 58-633)

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

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

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AN ACT relating to electricity; revising the provisions governing the sale of electricity and the provision of transmission and distribution services by the Colorado River commission; requiring certain public utilities to make their electric distribution facilities and services available to the Colorado River commission under certain circumstances; requiring such utilities to file tariffs concerning use of their electric distribution facilities and services by the Colorado River commission; 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. The Colorado River commission may sell electricity and provide***  
4     ***transmission service or distribution service, or both, only to meet the***  
5     ***existing and future requirements of:***  
6     ***(a) Any customer that the Colorado River commission on July 16,***  
7     ***1997, was serving or had a contract to serve; and***  
8     ***(b) The Southern Nevada Water Authority and its member agencies***  
9     ***for their water and wastewater operations,***  
10    ***without being subject to the jurisdiction of the public utilities commission***  
11    ***of Nevada.***  
12    ***2. The public utilities commission of Nevada shall establish a just***  
13    ***and reasonable tariff for such electric distribution service to be provided***  
14    ***by an electric utility that primarily serves densely populated counties to***



1 *the Colorado River commission for its sale of electricity or electric*  
2 *distribution services, or both, to any customer that the Colorado River*  
3 *commission on July 16, 1997, was serving or had a contract to serve, and*  
4 *to the Southern Nevada Water Authority and its member agencies to*  
5 *meet the existing and future requirements for their water and wastewater*  
6 *operations.*

7 3. *An electric utility that primarily serves densely populated counties*  
8 *shall provide electric distribution service pursuant to the tariff required*  
9 *by subsection 2.*

10 4. *As used in this section:*

11 (a) *"Electric utility that primarily serves densely populated counties"*  
12 *means an electric utility that, with regard to the provision of electric*  
13 *service, derives more of its annual gross operating revenue in this state*  
14 *from customers located in counties whose population is 400,000 or more*  
15 *than it does from customers located in counties whose population is less*  
16 *than 400,000.*

17 (b) *"Southern Nevada Water Authority" has the meaning ascribed to*  
18 *it in NRS 538.041.*

19 **Sec. 2.** NRS 538.181 is hereby amended to read as follows:

20 538.181 1. The commission shall hold and administer all rights and  
21 benefits pertaining to the distribution of the power and water mentioned in  
22 NRS 538.041 to 538.251, inclusive, for the State of Nevada and, except as  
23 otherwise provided in NRS 538.186, may enter into contracts relating to  
24 that power and water, including the transmission and other distribution  
25 services, on such terms as the commission determines.

26 2. Every applicant, except a federal or state agency or political  
27 subdivision, for power or water to be used within the State of Nevada must,  
28 before the application is approved, provide an indemnifying bond by a  
29 corporation qualified pursuant to the laws of this state, or other collateral,  
30 approved by the state board of examiners, payable to the State of Nevada in  
31 such sum and in such manner as the commission may require, conditioned  
32 for the full and faithful performance of the lease, sublease, contract or other  
33 agreement.

34 3. The power and water must not be sold for less than the actual cost to  
35 the State of Nevada.

36 4. Except as otherwise provided in subsection 5, before any such sale  
37 or lease is made, a notice of it must be advertised in two papers of general  
38 circulation published in the State of Nevada at least once a week for 2  
39 weeks. The commission shall require any person desiring to make  
40 objection thereto to file the objection with the commission within 10 days  
41 after the date of the last publication of the notice. If any objection is filed,  
42 the commission shall set a time and place for a hearing of the objection not  
43 more than 30 days after the date of the last publication of the notice.

44 5. The provisions of subsection 4 do not apply to:

45 (a) Any contract by the commission to sell supplemental power to a  
46 holder of a long-term firm contract with the state for power if the  
47 supplemental power is procured by the commission from a prearranged  
48 source and is secured by the holder for his own use; or



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- 1 (b) Any agreement by the commission to sell short-term or interruptible  
2 power on short notice for immediate acceptance to a holder of a long-term  
3 firm contract with the state for power who can take delivery of the short-  
4 term or interruptible power when it is available.
- 5 6. Except as otherwise provided in subsection 2 of NRS 538.251, any  
6 such lease, sublease, contract or sale of the water or power is not binding  
7 upon the State of Nevada until ratified and approved by the governor and,  
8 where required by federal law, until approved by the United States.
- 9 7. The commission shall, upon the expiration of a contract for the sale  
10 of power which is in effect on July 1, 1993, offer to the purchaser the right  
11 to renew the contract. If the commission is unable to supply the amount of  
12 power set forth in the contract because of a shortage of power available for  
13 sale, it shall reduce, on a pro rata basis, the amount of power it is required  
14 to sell pursuant to the renewed contract.
- 15 8. ~~Notwithstanding~~ *Except as otherwise provided in section 1 of this*  
16 *act, notwithstanding* any provision of chapter 704 of NRS, any purchase  
17 of:
- 18 (a) Power or water for distribution or exchange, and any subsequent  
19 distribution or exchange of power or water by the commission; or
- 20 (b) Water for distribution or exchange, and any subsequent distribution  
21 or exchange of water by any entity to which or with which the commission  
22 has contracted the water,  
23 is not subject to regulation by the public utilities commission of Nevada.
- 24 **Sec. 3.** The public utility shall file with the public utilities commission  
25 of Nevada the tariffs required by section 1 of this act not later than  
26 October 1, 2001.
- 27 **Sec. 4.** This act becomes effective upon passage and approval.

