
ASSEMBLY BILL NO. 14—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED JANUARY 26, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Exempts retail customers who purchase energy from municipal or local governmental utilities from payment of universal energy charge. (BDR 58-505)

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; exempting retail customers who purchase energy from municipal or local governmental utilities from the payment of the universal energy charge; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law requires that retail customers pay a universal energy charge on
2 certain purchases of energy from public utilities. (NRS 702.160) The proceeds from
3 the universal energy charge are used for energy assistance programs. (NRS
4 702.250-702.280)
5 This bill exempts purchases by retail customers from a municipal or local
6 governmental utility from the universal energy charge.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 702.060 is hereby amended to read as follows:
2 702.060 “Municipal **or local governmental** utility” includes,
3 without limitation:
4 1. A utility established pursuant to chapter 709 or 710 of NRS.
5 2. Any other utility that is owned, operated or controlled by ~~the~~
6 **any** county, city, **town** or other local governmental entity.



Sec. 2. NRS 702.150 is hereby amended to read as follows:

702.150 1. The provisions of NRS 702.160 do not apply to any therm of natural gas or any kilowatt-hour of electricity that a retail customer purchases from:

(a) A rural electric cooperative established pursuant to chapter 81 of NRS.

(b) A general improvement district established pursuant to chapter 318 of NRS.

(c) A cooperative association, nonprofit corporation, nonprofit association or provider of service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

(d) A municipal or local governmental utility.

2. If a retail customer is exempted from paying the universal energy charge pursuant to subsection 1, the retail customer may not receive money or other assistance from:

(a) The Welfare Division pursuant to NRS 702.260 for any utility service for which the retail customer is exempted from paying the universal energy charge; or

(b) The Housing Division pursuant to NRS 702.270.

Sec. 3. NRS 702.160 is hereby amended to read as follows:

702.160 1. Except as otherwise provided in this section and NRS 702.150, each retail customer shall pay:

(a) A universal energy charge of 3.30 mills on each therm of natural gas that the retail customer purchases from another person for consumption in this State; and

(b) A universal energy charge of 0.39 mills on each kilowatt-hour of electricity that the retail customer purchases from another person for consumption in this State.

2. The provisions of subsection 1 do not apply to:

(a) Any therm of natural gas used as a source of energy to generate electricity.

(b) Any kilowatt-hour of electricity used in industries utilizing electrolytic-manufacturing processes.

3. If a retail customer uses the distribution services of a public utility ~~for municipal utility~~ to acquire natural gas or electricity that is subject to the universal energy charge, the public utility ~~for municipal utility~~ providing the distribution services shall:

(a) Collect the universal energy charge from each such retail customer;

(b) Ensure that the universal energy charge is set forth as a separate item or entry on the bill of each such retail customer; and

(c) Not later than 30 days after the end of each calendar quarter, remit to the Commission the total amount of money collected by the



1 public utility ~~for municipal utility~~ for the universal energy charge
2 for the immediately preceding calendar quarter.

3 4. If a retail customer does not use the distribution services of a
4 public utility ~~for municipal utility~~ to acquire natural gas or
5 electricity that is subject to the universal energy charge, not later
6 than 30 days after the end of each calendar quarter, the retail
7 customer shall remit to the Commission the total amount of money
8 owed by the retail customer for the universal energy charge for the
9 immediately preceding calendar quarter.

10 5. If, during a calendar quarter, a single retail customer *pays*, or
11 multiple retail customers under common ownership and control pay,
12 in the aggregate, a universal energy charge of more than \$25,000 for
13 all consumption of natural gas and electricity during the calendar
14 quarter, such retail customers are entitled to a refund, for that
15 calendar quarter, of the amount of the universal energy charge that
16 exceeds \$25,000. To receive a refund pursuant to this section, not
17 later than 90 days after the end of the calendar quarter for which the
18 refund is requested, such retail customers must file with the
19 Commission a request for a refund. If a request for a refund is filed
20 with the Commission:

21 (a) The Commission shall determine and certify the amount of
22 the refund; and

23 (b) The refund must be paid as other claims against the State are
24 paid from money in the Fund.

25 **Sec. 4.** NRS 702.170 is hereby amended to read as follows:

26 702.170 1. The Commission shall adopt regulations to carry
27 out and enforce the provisions of NRS 702.160. Such regulations
28 may require public utilities ~~[, municipal utilities]~~ and retail
29 customers that are required to collect or remit money for the
30 universal energy charge to file reports and to provide
31 the Commission with information relating to compliance with the
32 requirements of the universal energy charge.

33 2. In carrying out the provisions of NRS 702.160, the
34 Commission shall solicit advice from the Consumer's Advocate of
35 the Bureau of Consumer Protection in the Office of the Attorney
36 General, public utilities ~~[and municipal utilities]~~ and other
37 knowledgeable persons.

38 3. The Commission may conduct audits and investigations of
39 public utilities ~~[, municipal utilities]~~ and retail customers that are
40 required to collect or remit money for the universal energy charge, if
41 the Commission determines that such audits and investigations are
42 necessary to verify compliance with the requirements of the
43 universal energy charge. In conducting such audits and
44 investigations, the Commission may exercise any of the



1 investigative powers granted to the Commission pursuant to chapter
2 703 of NRS, including, without limitation, the power to issue orders
3 to compel the appearance of witnesses and the production of books,
4 accounts, papers and records.

5 4. To carry out its powers and duties pursuant to this chapter,
6 the Commission is entitled to an administrative charge of not more
7 than 3 percent of the money collected for the universal energy
8 charge. After deduction of its administrative charge, the
9 Commission shall deposit the remaining money collected for the
10 universal energy charge in the State Treasury for credit to the Fund.

11 5. The Commission may bring an appropriate action in its own
12 name for recovery of any money that a person fails to pay, collect or
13 remit in violation of the requirements of the universal energy
14 charge.

15 **Sec. 5.** This act becomes effective on July 1, 2005.

