

## Amendment No. 16

Senate Amendment to Senate Bill No. 95 (BDR 58-552)

**Proposed by:** Senate Committee on Commerce and Labor**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

WLK



Date: 4/4/2007

S.B. No. 95—Revises provisions governing public utilities. (BDR 58-552)



## SENATE BILL NO. 95—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE PUBLIC UTILITIES COMMISSION OF NEVADA)

FEBRUARY 15, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing public utilities. (BDR 58-552)

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.

AN ACT relating to public utilities; removing certain entities from regulation as public utilities; eliminating the requirement that the Public Utilities Commission of Nevada conduct a hearing before ordering certain changes relating to railroad crossings; eliminating the requirement that the Commission convene a hearing not later than 60 days after a plan to increase the supply of electricity or decrease the demand for electricity is filed with the Commission; exempting certain electric generating plants from provisions governing the construction of utility facilities; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the Public Utilities Commission of Nevada to regulate public utilities in this State. (NRS 704.001) Existing law defines the term "public utility." (NRS 704.020) **Section 1** of this bill removes radio and broadcasting companies, companies that own cars used as part of railroad trains and companies that operate a ditch, flume, tunnel or tunnel and drainage system from regulation as public utilities.

Existing law authorizes the Commission, after an investigation and hearing, to order certain changes relating to railroad crossings. (NRS 704.300) **Section 2** of this bill removes the requirement that the Commission conduct a hearing before ordering such changes.

Existing law requires that an electric utility submit a plan to increase its supply of electricity or decrease the demands made on its system by its customers to the Commission every 3 years. (NRS 704.741) Existing law requires the Commission to convene a hearing on such a plan not later than 60 days after the plan is submitted to the Commission. (NRS 704.746) **Section 5** of this bill removes the requirement that the hearing be convened within that 60-day period. Existing law also requires the Commission to accept the plan as filed or specify the portions of the plan it finds inadequate within 135 days after the plan is filed. (NRS 704.751) **Section 5** extends that deadline to 180 days after the plan is filed *for certain portions of the plan*, but retains the 135-day deadline with respect to an amendment to an accepted plan.

Existing law sets forth a permitting process for the construction of a utility facility to minimize the environmental impact of the facility. (NRS 704.820-704.900) Existing law exempts from the permitting process certain electric generating plants which use renewable energy as their primary source of energy to generate electricity and which have a limited

generating capacity. (NRS 704.860) **Section 6** of this bill exempts all such electric generating plants from the permitting process regardless of their generating capacity.

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

**Section 1.** NRS 704.020 is hereby amended to read as follows:

704.020 1. "Public utility" or "utility" includes:

(a) Any person who owns, operates, manages or controls any railroad or part of a railroad as a common carrier in this State, or cars or other equipment used thereon, or bridges, terminals, or sidetracks, or any docks or wharves or storage elevators used in connection therewith, whether or not they are owned by the railroad.

(b) Any telephone company that provides a telecommunication service to the public, but only with regard to those operations of the telephone company which consist of providing a telecommunication service to the public.

~~[(c) Any radio or broadcasting company or instrumentality that provides a common or contract service.~~

~~—(d) Any company that owns cars of any kind or character, used and operated as a part of railroad trains, in or through this State. All duties required of and penalties imposed upon any railroad or any officer or agent thereof are, insofar as applicable, required of and imposed upon the owner or operator of any telephone company that provides a telecommunication service to the public, any radio or broadcasting company or instrumentality that provides a common or contract service and any company that owns cars of any kind or character, used and operated as a part of railroad trains in or through this State, and their officers and agents, and the Commission may supervise and control all such companies, instrumentalities and persons to the same extent as railroads.]~~

2. "Public utility" or "utility" also includes:

(a) ~~[Any person who owns, operates or controls any ditch, flume, tunnel or tunnel and drainage system, charging rates, fares or tolls, directly or indirectly.~~

~~—(b)]~~ Any plant or equipment, or any part of a plant or equipment, within this State for the production, delivery or furnishing for or to other persons, including private or municipal corporations, heat, gas, coal slurry, light, power in any form or by any agency, water for business, manufacturing, agricultural or household use, or sewerage service, whether or not within the limits of municipalities.

~~[(c)]~~ (b) Any system for the distribution of liquefied petroleum gas to 10 or more users.

➤ The Commission may supervise, regulate and control all such utilities, subject to the provisions of this chapter and to the exclusion of the jurisdiction, regulation and control of such utilities by any municipality, town or village, unless otherwise provided by law.

3. The provisions of this chapter and the term "public utility" apply to all railroads, express companies, car companies and all associations of persons, whether or not incorporated, that do any business as a common carrier upon or over any line of railroad within this State.

**Sec. 2.** NRS 704.300 is hereby amended to read as follows:

704.300 1. After an investigation ~~[and hearing, which has been]~~ initiated either upon the Commission's own motion ~~[(c)]~~ or as the result of the filing of a formal application or complaint by the Department of Transportation, the board of county commissioners of any county, the town board or council of any town or

1 municipality, or any railroad company, the Commission may ~~[determine, and]~~ order  
2 for the safety of the traveling public:

3 (a) The elimination, alteration, addition or change of a highway crossing or  
4 crossings over any railroad at grade, or above or below grade, including its  
5 approaches and surface.

6 (b) Changes in the method of crossing at grade, or above or below grade.

7 (c) The closing of a crossing and the substitution of another therefor.

8 (d) The removal of obstructions to the public view in approaching any  
9 crossing.

10 (e) Such other details of use, construction and operation as may be necessary to  
11 make grade-crossing elimination, changes and betterments for the protection of the  
12 public and the prevention of accidents effective.

13 2. The Commission shall order that the cost of any elimination, removal,  
14 addition, change, alteration or betterment so ordered must be divided and paid in  
15 such proportion by the State, county, town or municipality and the railroad or  
16 railroads interested as is provided according to the circumstances occasioning the  
17 cost ~~[.]~~ in NRS 704.305.

18 3. ~~[A:]~~ *If the Commission chooses to conduct a hearing before issuing an*  
19 *order pursuant to subsection 1, all* costs incurred by reason of ~~[any hearing held~~  
20 ~~under this section before the Commission.]~~ *the hearing,* including , but not limited to  
21 , publication of notices, reporting, transcripts and rental of hearing room, must be  
22 apportioned 50 percent to the governmental unit or units affected and 50 percent to  
23 the railroad or railroads.

24 **Sec. 3.** NRS 704.673 is hereby amended to read as follows:

25 704.673 ~~[Every]~~

26 1. *Except as otherwise provided in subsection 2, every* cooperative  
27 association or nonprofit corporation or association and every other supplier of  
28 services described in this chapter supplying such services for the use of the public  
29 and for the use of its own members is hereby declared to be affected with a public  
30 interest, to be a public utility, and to be subject to the jurisdiction, control and  
31 regulation of the Commission and to the provisions of this chapter. ~~[; but in]~~

32 2. *In* the case of the acquisition of the certificate or all or any part of the  
33 territory of a public utility, as defined in paragraph ~~[(b)]~~ (a) of subsection 2 of NRS  
34 704.020, by a cooperative association or nonprofit corporation or association which  
35 ~~[prior to] before~~ April 26, 1963, had supplied services for the use of its own  
36 members only, ~~[this section shall not be]~~ *the provisions of subsection 1 are not*  
37 *applicable for a period of 6 months or the expiration of such reasonable extension*  
38 *or extensions of [such] that 6-month period as may be ordered by the Commission,*  
39 *during which period the cooperative association or nonprofit corporation or*  
40 *association may enroll as its members the customers of the public utility whose*  
41 *certificate or territory was acquired so as to make such acquiring cooperative*  
42 *association or nonprofit corporation or association subject only to the limited*  
43 *jurisdiction, control and regulation of the Commission, and only to the specific*  
44 *provisions of chapter 704 of NRS as provided by NRS 704.675.*

45 **Sec. 4.** NRS 704.746 is hereby amended to read as follows:

46 704.746 1. ~~[Not more than 60 days after]~~ *After* a utility has filed its plan ~~[.]~~  
47 *pursuant to NRS 704.741,* the Commission shall convene a public hearing on the  
48 adequacy of the plan.

49 2. At the hearing any interested person may make comments to the  
50 Commission regarding the contents and adequacy of the plan.

51 3. After the hearing, the Commission shall determine whether:

52 (a) The forecast requirements of the utility are based on substantially accurate  
53 data and an adequate method of forecasting.

(b) The plan identifies and takes into account any present and projected reductions in the demand for energy that may result from measures to improve energy efficiency in the industrial, commercial, residential and energy producing sectors of the area being served.

(c) The plan adequately demonstrates the economic, environmental and other benefits to this State and to the customers of the utility, associated with the following possible measures and sources of supply:

- (1) Improvements in energy efficiency;
- (2) Pooling of power;
- (3) Purchases of power from neighboring states or countries;
- (4) Facilities that operate on solar or geothermal energy or wind;
- (5) Facilities that operate on the principle of cogeneration or hydrogeneration; and
- (6) Other generation facilities.

4. The Commission may give preference to the measures and sources of supply set forth in paragraph (c) of subsection 3 that:

- (a) Provide the greatest economic and environmental benefits to the State;
- (b) Are consistent with the provisions of this section; and
- (c) Provide levels of service that are adequate and reliable.

5. The Commission shall:

- (a) Adopt regulations which determine the level of preference to be given to those measures and sources of supply; and
- (b) Consider the value to the public of using water efficiently when it is determining those preferences.

**Sec. 5.** NRS 704.751 is hereby amended to read as follows:

704.751 1. ~~Within 135 days after~~ *After* a utility has filed ~~its plan,~~ *the plan required pursuant to NRS 704.741,* the Commission shall issue an order accepting the plan as filed or specifying any portions of the plan it deems to be inadequate ~~it~~:

*(a) Within 135 days for any portion of the plan relating to the energy supply plan for the utility for the 3 years covered by the plan; and*

*(b) Within 180 days for all portions of the plan not described in paragraph (a).*

2. ~~If a utility files an amendment to a plan, for which an order of acceptance has been issued by the Commission, within 135 days after the utility has filed the amendment to the plan, the Commission shall issue an order accepting the plan amendment as filed or specifying any portions of the plan amendment it deems to be inadequate it within 135 days of the filing of the amendment.~~

3. All prudent and reasonable expenditures made to develop the utility's plan, including environmental, engineering and other studies, must be recovered from the rates charged to the utility's customers.

**Sec. 6.** NRS 704.860 is hereby amended to read as follows:

704.860 "Utility facility" means:

1. Electric generating plants and their associated facilities, except:

(a) Electric generating plants and their associated facilities that are or will be located entirely within the boundaries of a county whose population is 100,000 or more; or

(b) Electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS 704.7811, as their primary source of energy to generate electricity, ~~and which have or will have a generating capacity of not more than 150 kilowatts,~~ including, without limitation, a net metering system, as defined in NRS 704.771.

1     ↪ As used in this subsection, “associated facilities” includes, without limitation,  
2     any facilities for the storage, transmission or treatment of water, including, without  
3     limitation, facilities to supply water or for the treatment or disposal of wastewater,  
4     which support or service an electric generating plant.

5     2. Electric transmission lines and transmission substations that:

6     (a) Are designed to operate at 200 kilovolts or more;

7     (b) Are not required by local ordinance to be placed underground; and

8     (c) Are constructed outside any incorporated city.

9     3. Gas transmission lines, storage plants, compressor stations and their  
10    associated facilities when constructed outside:

11    (a) Any incorporated city; and

12    (b) Any county whose population is 100,000 or more.

13    4. Water storage, transmission and treatment facilities, other than facilities for  
14    the storage, transmission or treatment of water from mining operations.

15    5. Sewer transmission and treatment facilities.

16    **Sec. 7.** Notwithstanding any other provision of law to the contrary:

17    1. Perfection or notice provided by a security instrument covering real or  
18    personal property located in this State which was filed with the Secretary of State or  
19    recorded in the office of a county recorder before July 1, 2007, in compliance with  
20    the provisions of chapter 105 of NRS, by a person who, on and after July 1, 2007, is  
21    not subject to regulation as a public utility pursuant to NRS 704.020, as amended  
22    by section 1 of this act, remains effective for the period provided by the law in  
23    effect at the time of its filing or recordation.

24    2. Such an instrument may be filed anew pursuant to NRS 104.9101 to  
25    104.9709, inclusive, and if so filed has the effect given to security instruments  
26    originally filed pursuant to NRS 104.9101 to 104.9709, inclusive. The priority of  
27    such a filing dates from the time that the security interest was first filed with the  
28    Secretary of State or recorded in the office of a county recorder and not from the  
29    date the instrument is filed anew pursuant to NRS 104.9101 to 104.9709, inclusive.

30    **Sec. 8.** This act becomes effective on July 1, 2007.