

ASSEMBLY BILL NO. 436—COMMITTEE
ON COMMERCE AND LABOR

MARCH 25, 2013

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the regulation of public utilities which furnish, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both. (BDR 58-1196)

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 public utilities; requiring the Public Utilities Commission of Nevada to adopt regulations specifying certain information which the Commission will consider in reviewing certain requests included in applications and plans submitted to the Commission by a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires a public utility which furnishes, for compensation, any
2 water for municipal, industrial or domestic purposes to adopt a plan of water
3 conservation approved by the Public Utilities Commission of Nevada. (NRS
4 704.662, 704.6622) **Section 2** of this bill requires the Commission to adopt
5 regulations specifying the information the Commission will consider when
6 reviewing: (1) a request included with a rate application submitted by a public
7 utility which furnishes, for compensation, any water for municipal, industrial or
8 domestic purposes, or services for the disposal of sewage, or both, to recover an
9 amount based on the anticipated effects of implementing a plan of water
10 conservation; (2) a request included with a rate application submitted by such a
11 public utility to recover the costs of providing service without regard to the
12 difference in the quantity of water actually sold by the public utility; and (3) a
13 request included in a resource plan, an amendment to such a plan or certain other
14 filings submitted by certain public utilities which furnish, for compensation, any



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15 water for municipal, industrial or domestic purposes, or services for the disposal of
16 sewage, or both, to impose a surcharge for the purpose of funding and encouraging
17 investment in infrastructure in the period between the filing of rate cases by the
18 public utility. **Section 2** provides that the imposition of such a surcharge is not
19 subject to the provisions of existing law governing applications to make changes in
20 any schedule.

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
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *The Commission shall adopt regulations specifying*
4 *the information the Commission will consider:*

5 1. *In reviewing a request included in an application to make*
6 *changes in any schedule submitted pursuant to NRS 704.110 by a*
7 *public utility which furnishes, for compensation, any water for*
8 *municipal, industrial or domestic purposes, or services for the*
9 *disposal of sewage, or both, to recover an amount based on the*
10 *anticipated effects of implementing a plan of water conservation,*
11 *including, without limitation, the anticipated effects of decreased*
12 *consumption of water by customers of the public utility as the*
13 *result of the implementation of a plan for water conservation or*
14 *the charging of rates to encourage water conservation;*

15 2. *In reviewing a request included in an application to make*
16 *changes in any schedule submitted pursuant to NRS 704.110 by a*
17 *public utility which furnishes, for compensation, any water for*
18 *municipal, industrial or domestic purposes, or services for the*
19 *disposal of sewage, or both, to recover the costs of providing*
20 *service without regard to the difference in the quantity of water*
21 *actually sold by the public utility by taking into account the*
22 *adjusted and annualized quantity of water sold during a test year*
23 *and the growth in the number of customers of the public utility;*
24 *and*

25 3. *In reviewing a request included in a plan or amendment to*
26 *a plan submitted pursuant to NRS 704.661 by a public utility*
27 *which furnishes, for compensation, any water for municipal,*
28 *industrial or domestic purposes, or services for the disposal of*
29 *sewage, or both, and which had an annual gross operating*
30 *revenue of \$1,000,000 or more for at least 1 year during the*
31 *immediately preceding 3 years or, if the public utility is authorized*
32 *to follow the simplified procedures or methodologies for a change*
33 *of rates pursuant to NRS 704.095, made in such other form as*
34 *prescribed by the Commission, to impose a surcharge for the*
35 *purpose of funding and encouraging investment in infrastructure*



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- 1 *in the period between the filing of rate cases by the public utility.*
2 *The imposition of any such surcharge approved by the*
3 *Commission is not subject to the provisions of NRS 704.110.*
4 **Sec. 3.** (Deleted by amendment.)
5 **Sec. 4.** This act becomes effective on July 1, 2013.

