

Amendment No. 275

Assembly Amendment to Assembly Bill No. 436 (BDR 58-1196)

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

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	☐	Lost	☐ _____	Adopted	☐	Lost	☐ _____
Concurred In	☐	Not	☐ _____	Concurred In	☐	Not	☐ _____
Receded	☐	Not	☐ _____	Receded	☐	Not	☐ _____

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 underlining* is newly added transitory language.

MSN/TMC



Date: 4/12/2013

A.B. No. 436—Revises provisions governing the regulation of public utilities which furnish, for compensation, any water for municipal, industrial or domestic purposes. (BDR 58-1196)



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 ~~to~~ **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 ~~to consider~~ **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 ~~to~~ **requiring the Commission to adopt regulations which authorize such a public utility to recover an amount based on the effects of the implementation of a plan of water conservation; requiring the Commission to adopt regulations which authorize such a public utility to recover, outside of a general rate application, certain costs relating to the planning, acquisition or construction of certain utility facilities;** **or services for the disposal of sewage, or both;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes to adopt a plan of water conservation approved by the Public Utilities Commission of Nevada. (NRS 704.662, 704.6622) **Section 2** of this bill requires the Commission ~~to~~ **to adopt regulations specifying the information the Commission will consider** when reviewing ~~to plan of water conservation, reviewing~~ **;(1) a request included with** a rate application ~~for approving a rate imposed~~ **submitted by** ~~such a~~ public utility ~~to consider any information submitted by the public utility which demonstrates~~ **which furnishes, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both, to recover an amount based on** the anticipated effects ~~for the recovery of costs by the public utility as a result of~~ implementing a plan of water conservation ~~to~~ **Section 3** of this bill requires the Commission ~~to adopt regulations authorizing a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes to:~~ **(1) recover an amount based on the measurable and verifiable effects of the implementation of a plan of water conservation, which must**

include any financial disincentives caused or created by the reasonable implementation of the plan of water conservation; and (2) recover, outside of a general rate application, all just and reasonable costs of planning, acquiring or constructing a utility facility which the Commission determines is a prudent investment. ; (2) a request included with a rate application submitted by such a public utility to recover the costs of providing service without regard to the difference in the quantity of water actually sold by the public utility; and (3) a request included in a resource plan, an amendment to such a plan or certain other filings submitted by certain public utilities which furnish, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both, to impose a surcharge for the purpose of funding and encouraging investment in infrastructure in the period between the filing of rate cases by the public utility. Section 2 provides that the imposition of such a surcharge is not subject to the provisions of existing law governing applications to make changes in any schedule.

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

Section 1. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *The Commission shall ~~not~~ adopt regulations specifying the information the Commission will consider:*

1. In reviewing a request included in an application to make changes in any schedule submitted pursuant to NRS 704.110 ~~not~~ reviewing a plan of water conservation submitted pursuant to NRS 704.6622 or approving any rate imposed by a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes, ~~consider any information submitted by the public utility which demonstrates~~ or services for the disposal of sewage, or both, to recover an amount based on the anticipated effects ~~for the recovery of costs by the public utility as a result~~ of implementing a plan of water conservation, including, without limitation, the anticipated effects of decreased consumption of water by customers of the public utility as the result of the implementation of a plan for water conservation or the charging of ~~variable~~ rates to encourage water conservation ~~not~~;

2. In reviewing a request included in an application to make changes in any schedule submitted pursuant to NRS 704.110 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, to recover the costs of providing service without regard to the difference in the quantity of water actually sold by the public utility by taking into account the adjusted and annualized quantity of water sold during a test year and the growth in the number of customers of the public utility; and

3. In reviewing a request included in a plan or amendment to a plan submitted pursuant to NRS 704.661 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 which had an annual gross operating revenue of \$1,000,000 or more for at least 1 year during the immediately preceding 3 years or, if the public utility is authorized to follow the simplified procedures or methodologies for a change of rates pursuant to NRS 704.095, made in such other form as prescribed by the Commission, to impose a surcharge for the purpose of funding and encouraging investment in infrastructure in the period between the filing of rate cases by the public utility.

The imposition of any such surcharge approved by the Commission is not subject to the provisions of NRS 704.110.

~~Sec. 3. [The Commission shall adopt regulations authorizing a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes.]~~

~~1. To recover an amount based on the measurable and verifiable effects of the implementation by the public utility of a plan of water conservation approved by the Commission pursuant to NRS 704.6622, which must include any financial disincentives caused or created by the reasonable implementation of the plan of water conservation; and~~

~~2. To recover, outside of a general rate application filed pursuant to NRS 704.110, all just and reasonable costs of planning, acquiring or constructing a utility facility which the Commission determines is a prudent investment.]~~
(Deleted by amendment.)

Sec. 4. This act becomes effective on July 1, 2013.