

ASSEMBLY BILL NO. 75—COMMITTEE
ON COMMERCE AND LABOR

(ON BEHALF OF THE PUBLIC UTILITIES
COMMISSION OF NEVADA)

PREFILED DECEMBER 20, 2014

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing certain proposed changes in the schedule of rates or services of a public utility. (BDR 58-351)

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; revising provisions governing certain proposed changes in schedules of rates or services submitted to the Public Utilities Commission of Nevada by a public utility; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law generally requires a public utility to submit an application and
2 obtain the approval of the Public Utilities Commission of Nevada for a change in
3 any schedule of rates or services. (NRS 704.110) However, existing law provides
4 that a public utility may submit a letter of advice in lieu of filing an application
5 with the Commission if, among other criteria, the proposed change does not change
6 any rate or will result in an increase in annual gross operating revenue in an amount
7 that does not exceed \$2,500. (NRS 704.100) This bill provides that a public utility
8 may submit a letter of advice if the proposed change does not change any rate or
9 will result in an increase in annual gross operating revenue in an amount that does
10 not exceed \$15,000. This bill also provides that a public utility must include with a
11 letter of advice a certification or affidavit that the proposed change meets those
12 requirements.



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

1 **Section 1.** NRS 704.100 is hereby amended to read as follows:
2 704.100 1. Except as otherwise provided in NRS 704.075
3 and 704.68861 to 704.68887, inclusive, or as may otherwise be
4 provided by the Commission pursuant to NRS 704.095 or 704.097:

5 (a) A public utility shall not make changes in any schedule,
6 unless the public utility:

7 (1) Files with the Commission an application to make the
8 proposed changes and the Commission approves the proposed
9 changes pursuant to NRS 704.110; or

10 (2) Files the proposed changes with the Commission using a
11 letter of advice in accordance with the provisions of paragraph (f)
12 or (g).

13 (b) A public utility shall adjust its rates on a quarterly basis
14 between annual rate adjustment applications pursuant to subsection
15 8 of NRS 704.110 based on changes in the public utility's recorded
16 costs of natural gas purchased for resale.

17 (c) An electric utility shall, between annual deferred energy
18 accounting adjustment applications filed pursuant to NRS 704.187,
19 adjust its rates on a quarterly basis pursuant to subsection 10 of
20 NRS 704.110.

21 (d) A public utility shall post copies of all proposed schedules
22 and all new or amended schedules in the same offices and in
23 substantially the same form, manner and places as required by NRS
24 704.070 for the posting of copies of schedules that are currently in
25 force.

26 (e) A public utility may not set forth as justification for a rate
27 increase any items of expense or rate base that previously have been
28 considered and disallowed by the Commission, unless those items
29 are clearly identified in the application and new facts or
30 considerations of policy for each item are advanced in the
31 application to justify a reversal of the prior decision of the
32 Commission.

33 (f) Except as otherwise provided in paragraph (g), if the
34 proposed change in any schedule does not change any rate or will
35 result in an increase in annual gross operating revenue ~~[-as certified~~
36 ~~by the public utility.]~~ in an amount that does not exceed ~~[\$2,500:]~~
37 \$15,000:

38 (1) The public utility may file the proposed change with the
39 Commission using a letter of advice in lieu of filing an application;
40 and

41 (2) The Commission shall determine whether it should
42 dispense with a hearing regarding the proposed change.



1 *↪ A letter of advice filed pursuant to this paragraph must include*
2 *a certification by the attorney for the public utility or an affidavit*
3 *by an authorized representative of the public utility that to the best*
4 *of the signatory's knowledge, information and belief, formed after*
5 *a reasonable inquiry, the proposed change in schedule does not*
6 *change any rate or result in an increase in the annual gross*
7 *operating revenue of the public utility in an amount that exceeds*
8 *\$15,000.*

9 (g) If the applicant is a small-scale provider of last resort and the
10 proposed change in any schedule will result in an increase in annual
11 gross operating revenue ~~{, as certified by the applicant,}~~ in an
12 amount that does not exceed \$50,000 or 10 percent of the
13 applicant's annual gross operating revenue, whichever is less:

14 (1) The ~~{applicant}~~ *small-scale provider of last resort* may
15 file the proposed change with the Commission using a letter of
16 advice in lieu of filing an application if the ~~{applicant;}~~ *small-scale*
17 *provider of last resort:*

18 (I) *Includes with the letter of advice a certification by*
19 *the attorney for the small-scale provider of last resort or an*
20 *affidavit by an authorized representative of the small-scale*
21 *provider of last resort that to the best of the signatory's knowledge,*
22 *information and belief, formed after a reasonable inquiry, the*
23 *proposed change in schedule does not change any rate or result in*
24 *an increase in the annual gross operating revenue of the small-*
25 *scale provider of last resort in an amount that exceeds \$50,000 or*
26 *10 percent, whichever is less;*

27 (II) Demonstrates that the proposed change in schedule is
28 required by or directly related to a regulation or order of the Federal
29 Communications Commission; and

30 ~~{(H)}~~ (III) Except as otherwise provided in subsection 2,
31 files the letter of advice not later than 5 years after the Commission
32 has issued a final order on a general rate application filed by the
33 applicant in accordance with subsection 3 of NRS 704.110; and

34 (2) The Commission shall determine whether it should
35 dispense with a hearing regarding the proposed change.

36 ↪ Not later than 10 business days after the filing of a letter of
37 advice pursuant to subparagraph (1), the Regulatory Operations
38 Staff of the Commission or any other interested party may file with
39 the Commission a request that the Commission order an applicant to
40 file a general rate application in accordance with subsection 3 of
41 NRS 704.110. The Commission may hold a hearing to consider such
42 a request.

43 (h) In making the determination pursuant to paragraph (f) or (g),
44 the Commission shall first consider all timely written protests, any
45 presentation that the Regulatory Operations Staff of the Commission



1 may desire to present, the application of the public utility and any
2 other matters deemed relevant by the Commission.

3 2. An applicant that is a small-scale provider of last resort may
4 submit to the Commission a written request for a waiver of the 5-
5 year period specified in sub-subparagraph ~~(II)~~ (III) of
6 subparagraph (1) of paragraph (g) of subsection 1. The Commission
7 shall, not later than 90 days after receipt of such a request, issue an
8 order approving or denying the request. The Commission may
9 approve the request if the applicant provides proof satisfactory to
10 the Commission that the applicant is not earning more than the rate
11 of return authorized by the Commission and that it is in the public
12 interest for the Commission to grant the request for a waiver. The
13 Commission shall not approve a request for a waiver if the request is
14 submitted later than 7 years after the issuance by the Commission of
15 a final order on a general rate application filed by the applicant in
16 accordance with subsection 3 of NRS 704.110. If the Commission
17 approves a request for a waiver submitted pursuant to this
18 subsection, the applicant shall file the letter of advice pursuant to
19 subparagraph (1) of paragraph (g) of subsection 1 not earlier than
20 120 days after the date on which the applicant submitted the request
21 for a waiver pursuant to this subsection, unless the order issued by
22 the Commission approving the request for a waiver specifies a
23 different period for the filing of the letter of advice.

24 3. As used in this section, "electric utility" has the meaning
25 ascribed to it in NRS 704.187.

26 **Sec. 2.** This act becomes effective on July 1, 2015.

