

# STUDY OF THE PUBLIC SERVICE COMMISSION OF NEVADA



*Bulletin No. 87-2*

LEGISLATIVE COMMISSION  
OF THE  
LEGISLATIVE COUNSEL BUREAU  
STATE OF NEVADA

August 1986



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State of Nevada

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Assembly Concurrent Resolution No. 40—Assemblyman Ham

FILE NUMBER 102

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the public service commission of Nevada.

WHEREAS, The public service commission of Nevada was created in 1919 to supervise and regulate the operation and maintenance of the public utilities in this state; and

WHEREAS, The laws which govern the operation of the public service commission of Nevada have been extensively amended since 1919; and

WHEREAS, No attempt has been made by the legislature in its recent sessions to evaluate the effectiveness of the public service commission of Nevada; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the legislative commission is hereby directed to conduct a study of the effectiveness of the public service commission of Nevada; and be it further

RESOLVED, That the results of the study and any recommendations for legislation be reported to the 64th session of the legislature.

19  85





REPORT OF THE LEGISLATIVE COMMISSION  
TO THE MEMBERS OF THE 64TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Concurrent Resolution No. 40 of the 63rd session of the Nevada legislature, which directs the legislative commission to study the effectiveness of the public service commission of Nevada. The legislative commission, under the auspices of the joint committee on commerce and labor, appointed a subcommittee to conduct the study and recommend appropriate action. The members of the subcommittee were:

Assemblyman Jane F. Ham, Chairman  
Senator Robert E. Robinson, Vice Chairman  
Assemblyman Barbara A. Zimmer

The subcommittee has attempted, in this report, to present its recommendations briefly and concisely. A great deal of data was gathered in the course of the study. All of the data and minutes of the subcommittee's meetings are on file with the research library of the legislative counsel bureau and are available for review.

This report is transmitted to the members of the 64th session of the Nevada legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission  
Legislative Counsel Bureau  
State of Nevada

Carson City, Nevada  
August 1986

\* \* \* \* \*

LEGISLATIVE COMMISSION

Assemblyman Louis W. Bergevin, Chairman  
Assemblyman Bob L. Kerns, Vice Chairman

Senator James H. Bilbray	Assemblyman Robert M. Sader
Senator Helen A. Foley	Assemblyman James W. Schofield
Senator Lawrence E. Jacobsen	Assemblyman Danny L. Thompson
Senator Kenneth K. Redelsperger	Assemblyman Barbara A. Zimmer
Senator Sue Wagner	



## SUMMARY OF RECOMMENDATIONS

This summary represents the subcommittee's recommendations. These recommendations are based upon suggestions which were presented in public hearings and written communications to the subcommittee.

The subcommittee recommends:

1. Amending Nevada Revised Statutes (NRS) 704.095, "Simplified procedure for change of rates for certain public utilities furnishing water or sewerage," to provide that companies which serve 2,000 or fewer persons and have annual revenues of \$500,000 or less qualify for the simplified rate change procedures provided for in Public Service Commission of Nevada's (PSCN) General Order 26.

Deletion of subsection 3 of NRS 704.095 which reads as follows:

3. Do not own or control any other business entity furnishing water or sewer service, or both, within this state.

(BDR 58-60)

2. Establishing a state revolving loan fund that could be utilized as a source of financing for small water companies which are unable to obtain financing from other sources. Direct the PSCN to adopt regulations for the administration of this fund. Further, the source of funding of this fund should be determined by the 1987 legislature. (BDR 58-63)
3. Amending chapter 704 of NRS to require fire districts or other public entities responsible for fire protection to pay for fire flow and hydrants. (BDR 58-64)
4. Amending NRS 704.683, "Supplier of water or services for sewage: Appointment of receiver upon petition of commission," to expand the authority of the PSCN to request the appointment of receivers. The PSCN should be allowed to petition for the appointment of a receiver if a utility is unable or unwilling to comply with PSCN orders or otherwise qualifies for the appointment of a receiver under the provisions of NRS 32.010, "Cases in which receiver may be appointed." (BDR 58-60)
5. Amending NRS 704.683 to grant receivers the authority to petition the bankruptcy court for relief under

bankruptcy laws and to negotiate the transfer or sale of small water companies to the best benefit of the creditors. (BDR 58-60)

6. Amending NRS 278.377, "Certificates by agencies of state; appeal from adverse decision of agency; copies of certain certificates furnished to subdivider and purchaser," to include a reference to NRS 704.679, "Supplier of water or services for sewage to subdivision or other project for development of land: Application; investigation and approval by commission; fee; exceptions," which requires PSCN approval before a subdivision is approved by a county or city government if the subdivision requires establishing a water company. (BDR 22-59)
7. Amending NRS 704.030, "Persons not included in 'public utility,'" to remove the exemption from PSCN regulation for those water companies with the potential of serving 25 or more customers and having \$5,000 or more in gross revenue. (BDR 58-60)
8. Amending NRS 119.183, "Sales: Disclosure to purchaser concerning public services and utilities," to require sellers of subdivision lots to disclose:
  - (a) The extent to which the cost of any sewer and water system is included in the purchase price of the land and the manner in which the seller or other party intends to recover those costs that are not included in the price of the land.
  - (b) The rates or charges for water or sewer service that the seller projects will be charged when the development is 25 percent, 50 percent and 100 percent occupied.
  - (c) An explanation of whether or to what extent the present capacity of the water and/or sewer service is sufficient to meet requirements when the development is fully occupied.(BDR 10-70)
9. Enacting legislation allowing the PSCN to consider the differences between established, independent water companies and those owned by land developers in making regulatory decisions and to give careful scrutiny to water companies which are subsidiaries of land developers. (BDR 22-59)

10. Amending the statutes to transfer all authority for the regulation of railroads from the PSCN to the department of transportation (DOT). (BDR 35-58)
11. Adopting a resolution encouraging the PSCN to hold a public hearing to determine whether sufficient competition exists in long distance telecommunication services to deregulate these services per Senate Bill 387 (chapter 360, Statutes of Nevada, 1985). (BDR 61)



REPORT TO THE 64TH SESSION OF THE NEVADA LEGISLATURE  
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO  
STUDY THE EFFECTIVENESS OF THE PUBLIC SERVICE  
COMMISSION OF NEVADA

I. INTRODUCTION

In 1985, the 63rd session of the legislature adopted Assembly Concurrent Resolution No. 40 (File No. 102) which required the legislative commission to study the effectiveness of the public service commission of Nevada (PSCN). The legislative commission appointed a subcommittee to conduct the study.

The subcommittee held four meetings. The first meeting was held in Las Vegas, Nevada, and was devoted to a review of the regulation of small water companies. The second meeting was also held in Las Vegas. At this meeting testimony was taken regarding the organization and activities of the PSCN and its staff. The third meeting was held in Reno, Nevada. The first half of this meeting focused on the regulation of small water companies and the second half dealt with the organization and activities of the PSCN. At the fourth meeting, which was held in Las Vegas, the subcommittee made its recommendations.

The subcommittee heard testimony from members of the PSCN and its staff; from Nevada's office of advocate for customers of public utilities, also known as the office of the consumer's advocate (OCA); from representatives of small water companies and other regulated utilities; and from members of the public. The PSCN provided extensive background material which greatly aided the subcommittee in its deliberations.

II. SMALL WATER COMPANIES

According to the health division of the department of human resources, there are over 600 entities which sell water to residents of Nevada. These range from Sierra Pacific Power Company, which provides service to a large part of the population of Washoe County, Nevada, to many very small systems which serve only a few families.

Of all the entities which sell water in this state, only 24 fall under the jurisdiction of the PSCN. Except for Sierra Pacific Power Company, these companies are relatively small.

Small water companies have mixed histories. Some have operated reliably for many years. In other cases, companies have gone bankrupt or have been in such poor condition that they have had to be taken over by local governments. In at least one case, water service has been temporarily disrupted and the staff of the PSCN has had to operate the system for a period of time.

The availability of pure and abundant water at a reasonable cost is essential to the well-being of Nevada's citizens and to the state's continued economic expansion. Therefore, the legislature has a strong interest in seeing that the entities which provide this service are well-run and financially sound.

#### A. SIMPLIFIED RATE CHANGE PROCEDURES

In 1979, the legislature, recognizing that small water companies found it difficult and burdensome to meet all the procedural requirements which larger utilities had to meet to obtain rate relief, enacted Nevada Revised Statutes (NRS) 704.095, "Simplified procedure for change of rates for certain public utilities furnishing water or sewerage." This section provides that the PSCN could adopt simplified rate change procedures for water companies which serve 1,200 or fewer persons, have \$150,000 or less in annual revenues, and do not own or control another water or sewer company.

The PSCN implemented this legislation by issuing General Order 26 (Nevada Administrative Code [NAC] 704.570 through 704.630). This regulation provides for simplified rate applications, encourages the stipulation of rate cases, allows for surcharges on rates to fund system improvements, and provides for simplified applications for recovering increased power and energy costs.

Testimony before the A.C.R. 40 subcommittee indicated that there is a need to amend NRS 704.095 to make simplified rate change procedures available to some companies which have outgrown the present statutory limits. Three small water companies in Nevada--Desert Inn Improvement Company, Purity Utilities, and Valley Water Company--have annual revenues in excess of the \$150,000 limit. The PSCN suggested that these companies should also qualify for special treatment. Therefore, the subcommittee recommends that the statutory limitation be increased so that any company which serves 2,000 or fewer persons and has annual revenues of \$500,000 or less will qualify for simplified rate change procedures.



The subcommittee also recommends that the legislature remove a provision which prevents a company which owns or controls another sewer or water company from availing itself of the benefits of General Order 26. The subcommittee believes these changes will benefit both water companies and their customers by sparing them the expense of preparing and filing a full rate change case.

#### B. FINANCING CAPITAL IMPROVEMENTS

Several witnesses who appeared before the subcommittee indicated that many of the systems owned by small water companies are in need of substantial capital improvements. But, because of the checkered financial history of small water companies, lending institutions are generally reluctant to loan these companies money. Frequently, the only source of financing for improvements is capital contribution from the company's owner, whose resources are often limited.

The subcommittee considered several alternative approaches to solving this problem, including (1) requiring financial institutions which do business with the state to make loans to water companies, (2) using Community Development Block Grants and other federal funds, (3) establishing a state loan guarantee program, and (4) creating a special committee to study the question further.

The subcommittee recommends that the legislature establish a state revolving loan fund to lend money to small water companies that are not able to obtain financing elsewhere and to empower the PSCN to issue regulations to administer this fund.

#### C. FIRE PROTECTION BENEFITS

Nevada Revised Statutes 704.660, "Public utility supplying water required to provide sufficient water for protection from fire at reasonable rates; regulations by commission," requires that water companies provide water at sufficient pressure to fight fires. This may require the installation of larger mains and storage tanks than would be necessary to provide for normal domestic needs. Water companies must also install hydrants. These improvements can be very expensive.

In some water company service areas, many of the residents are not customers of the water company. They may obtain water from other sources such as domestic wells. Nevertheless, they enjoy the benefits of the fire protection provided by the company. In these cases, it may not be fair to recover the entire cost of providing fire flow only from the customers of the water company.

It appears, however, that Nevada law does not provide any other way for the water company to recover its costs. In 1984, Sheridan Acres Water Company filed suit against Douglas County, Nevada, claiming that it was entitled to collect fire hydrant standby fees from the county. The Nevada supreme court ruled that the company was not entitled to collect these fees from the county because the county had not requested that the company install the hydrants. (Sheridan Acres Water Company v. Douglas County, 100 Nevada Reports, p. 559.)

The subcommittee recommends that the legislature require fire districts or other public entities to compensate water companies for the cost of providing fire flow and hydrants.

#### D. THE POWERS OF RECEIVERS

During the past few years, several small water companies in Nevada have found themselves in severe financial difficulty. In 1979, the legislature enacted legislation allowing the PSCN to seek receivership for small water companies which are unable to provide reasonable, continuous and adequate service. This law is intended to ensure that water company customers are not left without service if a company becomes unable to operate.

During the subcommittee's hearings, witnesses testified that there is a need to expand the powers of receivers for small water companies.

Accordingly, the subcommittee recommends that the PSCN be allowed to petition for the appointment of a receiver if a utility is unable or unwilling to comply with PSCN orders. The subcommittee also recommends that receivers be granted authority to petition the bankruptcy court for relief and to negotiate the sale of the company for the best benefit of the creditors.

#### E. APPROVAL OF SUBDIVISIONS

Nevada Revised Statutes 704.679, "Supplier of water or services for sewage to subdivision or other project for development of land: Application; investigation and approval by commission; fee; exceptions," requires that the PSCN receive a copy of all applications for new subdivisions or other land developments which require connection to a water supply or sewer system. The commission is to examine these plans to determine whether they are adequate. The subdivision or land development may not be granted final approval until the PSCN has approved the plans for sewer and water services.

This provision has frequently been ignored. Consequently, subdivisions have been built with water systems that are inadequate. These systems later develop serious problems. Many of these problems could be avoided if there were adequate review of the initial plans for the system.

The subcommittee recommends that the legislature amend chapter 278 of NRS to include an explicit reference to the required approval of subdivisions by the PSCN so that developers will be aware of the requirement's existence and comply with it.

#### F. THE SCOPE OF PSCN JURISDICTION

Most small water companies do not fall under the jurisdiction of the PSCN. Nevada Revised Statutes 704.030, "Persons not included in 'public utility'" provides that water companies which serve fewer than 25 customers and have annual revenues of \$5,000 or less are not subject to the regulation of the PSCN. In some situations, this exemption may create problems. Frequently, developments are started and water systems are installed some time before all the lots are sold. Consequently, a water system may be exempt from PSCN regulation even though it is designed to serve a large number of customers. By the time those companies become jurisdictional, they may have financial and physical problems which are difficult to correct.

The subcommittee recommends that water companies which have the potential for serving 25 or more customers and having \$5,000 or more in annual revenues be subject to PSCN regulations from the outset. The subcommittee does not intend that the PSCN should regulate water companies that are not likely to ever exceed these thresholds.

#### G. DEVELOPER-OWNED WATER COMPANIES

Many water companies in Nevada were constructed by land developers to serve the needs of new subdivisions. In some cases, developers will keep water rates at artificially low levels until the lots in the subdivision are sold. At that point, rates may rise precipitously to reflect real costs and provide a rate of return to the owner of the utility. In addition, developers sometimes install inadequate water systems. Later, lot owners may have to pay a substantial surcharge to raise money to correct the system's problems. Lot owners often resent these increased costs because they believed that the cost of utilities was included in the price which they paid for the lot. They were also unaware that water rates would eventually be much higher than those in effect when the lot was purchased.

The subcommittee believes that many of these problems could be avoided by adequate disclosure at the time subdivision lots are sold. The subcommittee recommends that sellers of lots in subdivisions be required to disclose the extent to which the cost of the water system is included in the price of the lot, the water rates which will be charged at various stages of the subdivision's development, and an explanation of whether the system is adequate to meet the needs of the subdivision when it is fully occupied. The subcommittee also recommends that the PSCN be allowed to discriminate between water companies owned by land developers and independent companies in making regulatory decisions.

### III. GENERAL ISSUES REGARDING THE EFFECTIVENESS OF THE PSCN

Spokesmen for the PSCN provided the subcommittee with an extensive review of the commission's history and functions. They noted that the PSCN must carefully balance the interests of consumers and utility companies. The commission must see that consumers receive utility services at a reasonable price while at the same time providing utility companies with a fair and adequate rate of return. Spokesmen for the commission presented evidence that utility rates in Nevada have generally been stable in recent years and that utility companies are financially healthy.

#### A. REGULATION OF RAILROADS

The subcommittee heard testimony regarding the role of the PSCN in regulating railroads. The PSCN was originally established in 1919 for the purpose of regulating railroads. Later, the commission was given the responsibility for regulating statutory utilities at the same time and its role in railroad regulation diminished.

During recent years, there have been extensive changes in the transportation industry. Railroads no longer enjoy the monopoly over long distance transportation which they once possessed. As a result, the Federal Government and state governments have acted to remove most types of railroad regulation. Several states, including Connecticut, Michigan, New Jersey, and New York, have also taken action to transfer the responsibility for regulating railroads from their public service commissions to their state departments of transportation. The PSCN presently plays no role in rail rate or service regulation. There are four areas of railroad regulation for which the PSCN is responsible. These are:

- a. Agency closures;
- b. Grade crossings;

- c. Track inspection and safety inspections of rail facilities; and
- d. Transportation of hazardous materials by rail.

The subcommittee recommends that the legislature amend the statutes to transfer these responsibilities to the department of transportation.

#### B. TELECOMMUNICATION SERVICES

In recent years, the telecommunications industry has changed dramatically. With the breakup of American Telephone and Telegraph and the transfer of local telephone networks to independent regional companies, long distance service became more competitive. In 1985, the legislature enacted Senate Bill 387 (NRS 704.040, "Charge for services of public utility to be just and reasonable; unjust and unreasonable charge unlawful; exemption from regulation authorized for certain services") which allows the PSCN to deregulate long distance telecommunication services where competition exists.

The subcommittee recommends that the legislature adopt a resolution encouraging the PSCN to hold a public hearing to determine whether sufficient competition exists to deregulate these services.



#### IV. APPENDICES

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## APPENDIX A

Chart entitled "Schedule 1 - System Engineering - Assessment  
Of G.O. 26 Minimum Service Standards For  
Small Water Facilities"



# APPENDIX A

## SCHEDULE 1 SYSTEM ENGINEERING ASSESSMENT OF G.O. 26 MINIMUM SERVICE STANDARDS FOR SMALL WATER FACILITIES

LINE NO.	COMPANY	WATER RIGHTS		WATER QUALITY	WELL PROD EXISTING	STORAGE		FIRE FLOW	FIRE HYDRANTS	IMPROVEMENT COST
		EXISTING	BUILD OUT			EXISTING	BUILD OUT			
		A	B			E	F			
		%	%	C	D	%	%	G	H	I
										\$000
1	BLUE DIAMOND WATER CO.	156	100	OK	0	74	65	50	NOT OK	120-187
2	CAVE ROCK WATER COMPANY	214	214	OK	60	165	165	100	OK	*
3	CENTRAL NEVADA UTILITIES CO.	4400	110	OK	2600	3	0.0004	80	OK	*
4	COUNTY WATER COMPANY	1100	267	OK	107	67	21	60	NOT OK	100
5	CRYSTAL CLEAR WATER COMPANY	100	25	OK	2000	30	14	100	OK	*
6	DAYTON VALLEY ESTATES WATER CO.	224	160	OK	60	15	13	60	OK	129-154
7	DESERT INN IMPROVEMENT CO.**	***	***	OK	***	***	***	150	OK	0
8	INDIAN SPRINGS SEWAGE CO.	66	*	OK	330	7	*	56	OK	*
9	MASON WATER COMPANY	220	100	OK	220	28	17	30	OK	*
10	MOGUL WATER COMPANY, INC.	800	200	OK	800	200	100	100	OK	0
11	MOUNTAIN VIEW WATER CO.	*	*	OK	*	*	*	*	OK	*
12	PURITY UTILITIES, INC.	224	144	OK	133	112	77	300	OK	110
13	RENO PARK WATER CO.	190	100	OK	350	210	105	100	OK	23
14	SHERIDAN ACRES WATER CO.	145	100	OK	170	50	44	90	OK	*
15	SILVER LAKE WATER DIST. CO.	590	100	OK	700	530	100	160	OK	0
16	SKYLAND WATER CO.	102	102	OK	150	110	110	60	OK	412
17	SKY RANCH UTILITY CO.	240	135	OK	240	120	80	140	OK	*
18	SPRING CREEK UTILITIES	500	100	OK	500	200	50	10	NOT OK	*
19	STEAMBOAT SPRINGS PROPERTIES	*	*	OK	*	*	*	90	OK	*
20	TOPAZ MUTUAL COMPANY	194	100	OK	80	326	240	10	NOT OK	634
21	VALLEY WATER COMPANY**	100	100	OK	130	60	60	70	OK	1359
22	VERDI MEADOWS	980	275	OK	260	270	170	70	OK	*
23	ZEPHYR COVE WATER CO.	200	200	OK	*	70	70	10	NOT OK	2500

\* DATA NOT COLLECTED

\*\* DOES NOT CURRENTLY MEET REQUIREMENTS TO BE CLASSIFIED AS A G.O. 26 COMP.

\*\*\* NOT APPLICABLE

Source: Public Service Commission of Nevada.



## APPENDIX B

Chart entitled "Schedule 2 - Summary Of Significant  
Financial Data - G.O. 26 Water Companies - 1984"



APPENDIX B

SCHEDULE 2  
SUMMARY OF SIGNIFICANT FINANCIAL DATA  
G.O. 26 WATER COMPANIES - 1984

Page 1 of 2

(Note: All figures per annual reports provided by companies, except as noted.)

LINE NO.	COMPANY	NUMBER OF CUSTOMERS		REVENUES	EXPENSES	NET OPERATING INCOME	NET PLANT IN SERVICE	SEWER REVENUE IF ANY
		RESIDENTIAL	COMMERCIAL AND INDUSTRIAL					
A	B	C	D	E	F	G		
1	Blue Diamond Water Co.*	102	0	\$20,838	\$19,338	1,500	\$8,846	\$1,350
2	Cave Rock Water Company	234	6	74,496	95,811	(21,315)	43,849	0
	per most recent review 06/30/85	242	7	88,791	78,708	10,083	80,022	0
3	Central Nevada Utilities Co.	330	25	105,734	371,897	(266,163)	1,483,297	30,564
4	County Water Company	451	0	27,271	26,645	626	97,940	0
	per most recent review 12/31/84	451	0	36,681	28,618	8,063	89,588	0
5	Crystal Clear Water Company	51	0	7,027	16,234	(9,207)	71,547	0
6	Dayton Valley Estates Water Co.	140	0	20,108	28,219	(8,111)	159,829	0
	per most recent review 12/31/84	138	0	27,550	24,619	2,931	1,956	0
7	Desert Inn Improvement Co.**	71	1	196,675	193,085	3,590	5,111	0
8	Indian Springs Sewage Co.	61	21	49,018	50,721	(1,703)	116,055	36,955
	per most recent review 12/31/83	470	0	53,617	36,609	17,008	113,040	36,490
9	Nason Water Company	314	4	66,351	54,135	12,216	52,673	0
10	Hogul Water Company, Inc.	110	1	28,795	38,706	(9,911)	110	0
	per most recent review 06/30/85	167	0	57,006	56,900	106	0	0
11	Mountain View Water Co.	69	0	11,743	7,717	4,026	0	0
12	Purity Utilities, Inc.**	636	14	203,924	180,026	23,898	327,105	0
13	Reno Park Water Co.	553	6	120,647	89,860	30,787	140,394	0
14	Sheridan Acres Water Co.	76	13	27,521	25,216	2,305	66,362	0
15	Silver Lake Water Dist. Co.	300	9	131,138	195,209	(64,071)	2,054,766	0

\* 1981 data - most recent available.

\*\* Does not currently meet requirements to be classified as a G.O. 26 company.

Source: Public Service Commission of Nevada.

SCHEDULE 2  
SUMMARY OF SIGNIFICANT FINANCIAL DATA  
G.O. 26 WATER COMPANIES - 1984

Page 2 of 2

(Note: All figures per annual reports provided by companies, except as noted.)

LINE NO.	COMPANY	NUMBER OF CUSTOMERS		REVENUES	EXPENSES	NET OPERATING INCOME	NET PLANT IN SERVICE	SEWER REVENUE IF ANY
		RESIDENTIAL	COMMERCIAL AND					
			INDUSTRIAL					
		A	B	C	D	E	F	G
16	Skyland Water Co.	212	7	\$83,308	\$70,820	\$12,488	\$90,044	\$0
	per most recent review 12/31/83	213	7	87,137	71,198	15,939	105,908	0
17	Sky Ranch Utility Co.	194	0	29,831	33,026	(3,195)	50,382	0
18	Spring Creek Utilities	734	76	109,042	346,653	(237,611)	507,052	0
19	Steamboat Springs Properties***	---	---	73,445	87,489	(14,044)	---	0
20	Topaz Mutual Company	520	0	86,990	90,942	(3,952)	132,583	0
21	Valley Water Company**	1,066	24	232,945	252,465	(19,520)	233,641	73,687
	per most recent review 09/30/84	1,066	24	282,569	249,282	33,287	236,247	0
22	Verdi Meadows***	---	---	---	---	---	---	---
23	Zephyr Cove Water Co.	430	16	83,971	85,005	(1,034)	85,895	0

\*\* Does not currently meet requirements to be classified as a G.O. 26 company.

\*\*\* Data not available.



## APPENDIX C

Chart entitled "Schedule #3 - Rate Comparison - G.O. 26  
Water Companies - 1984"



SCHEDULE #3  
RATE COMPARISON  
G.O. 26 WATER COMPANIES - 1984

LINE NO.	COMPANY NAME	CUSTOMER CHARGE PER MONTH	COMMODITY CHARGE PER 1,000 GAL PER Mth	SURCHARGE FOR NEW CONST PER Mth	STANDBY CHARGE PER Mth	HOOKUP FEE AND/OR METER COST	PUBLIC FIRE HYDRANT CHARGE PER Mth	AVERAGE RESIDENTIAL ANNUAL CONSUMPTN GALLONS	AVERAGE RESIDENTIAL ANNUAL CHARGES	EFFECTV COST		EFFECTIVE DATE OF RATES
										CHRG FOR 220,000 GAL TYPICAL FAMILY RES	PER 1,000 GAL FOR 220,000 GAL ANNUAL CONSUMPTN	
A			B	C	D	E	F	G	H	I	J	K
1 *	Blue Diamond Wtr Co	\$4.25	\$0.16	N/C	N/C	\$315.00	N/C	***	***	\$86.38	\$0.39	09/18/81
2	Cave Rock Wtr Co	28.83	N/C	N/C	N/C	75.00	N/C	184,000	\$302.68	346.00	1.57	12/24/85
3	Central Nevada Util	6.60	0.57	N/C	N/C	200.00	N/C	129,000	143.77	204.60	0.93	06/14/83
4	County Water Co	10.00	N/C	N/C	\$2.50	315.00	N/C	***	***	120.00	0.55	12/12/84
5	Crystal Clear Wtr Co	12.00 includes 5,000 gal	0.40 over 5,000 gal.	N/C	4.50	365.00 El Rancho 850.00 8th View	N/C	669,000	137.78	208.00	0.95	07/22/81
6	Dayton Vly Estates	12.25 includes 12,000 gal	0.61 over 12,000 gal.	N/C	N/C	N/C	1.00 per hydrant 2.00 standby	190,000	143.01	208.00	0.95	10/01/85
7 **	Desert Inn Improvmt Co	6.60	0.68	N/C	N/C	250.00	N/C	1,194,000	924.85	228.80	1.04	12/12/83
8	Indian Springs Sewage	9.60	0.48	N/C	N/C	100.00 plus meter cost	N/C	329,000	272.38	220.80	1.00	11/15/84
9	Mason Wtr Co	10.45 includes 7,000 gal	0.72 over 7,000 gal	N/C	N/C	420.00	8.00	***	***	223.32	1.01	11/01/83
10	Mogul Wtr Co	13.75	0.95 1st 40,000 1.85 over 40,000	N/C	11.50	565.00	6.00	82,000	163.72	374.00	1.70	07/01/85
11	Mountain View Wtr	10.00 includes 10,000 gal	0.30 next 30,000 0.40 excc 40,000	N/C	N/C	175.00	N/C	182,000	127.08	153.00	0.70	06/25/84
12 **	Purity Utilities	7.60	0.659	N/C	N/C	2,025.00	4.00	165,000	276.30	237.16	1.08	12/01/83
13	Reno Park Wtr Co	9.25	0.78	N/C	N/C	200.00	N/C	148,000	205.11	282.00	1.28	12/01/85
14	Sheridan Acres Wtr	22.00 includes 10,000 gal	0.75 over 10,000 gal	N/C	N/C	N/C	10.00	201,000	340.80	348.00	1.58	02/01/83
15	Silver Lake Wtr	20.00	1.50 1st 15,000 3.00 1st overrun 4.50 2nd overrun 1.50 each overrun thereafter	N/C	N/C	140.00	1.00 customer 2.00 standby	80,000	358.22	1,063.50	4.83	08/27/84
16	Skyland Wtr Co	20.00 includes 8 outlets	0.95 additional outlets	N/C	N/C	N/C	N/C	191,000	308.25	240.00	1.09	10/14/85

APPENDIX C

Source: Public Service Commission of Nevada.

SCHEDULE #3  
RATE COMPARISON  
G.O. 26 WATER COMPANIES - 1984

LINE NO.	COMPANY NAME	CUSTOMER CHARGE PER MONTH	COMMODITY CHARGE PER 1,000 GAL PER Mth	SURCHARGE FOR NEW CONST PER Mth	STANDBY CHARGE PER Mth	HOOKUP FEE AND/OR METER COST	PUBLIC FIRE HYDRANT CHARGE PER Mth	EFFECTIV COST				EFFECTIVE DATE OF RATES
								AVERAGE RESIDENTIAL ANNUAL CONSUMPTN GALLONS	AVERAGE RESIDENTIAL ANNUAL CHARGES	CHRG FOR 220,000 GAL PER YEAR TYPICAL FAMILY RES	PER 1,000 GAL FOR 220,000 GAL ANNUAL CONSUMPTN	
----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
17	SkyRanch Utility Co	10.00 includes 10,000 gal	0.50 next 10,000 0.60 next 30,000 0.70 next 50,000	N/C	N/C	200.00	N/C	249,000	153.77	181.40	0.82	11/14/83
18	Spring Creek Util	8.00 includes 9,000 gal	0.30 next 21,000 0.20 thereafter	N/C	N/C	150.00	N/C	142,000	70.88	130.20	0.59	10/15/80
19	Steamboat Springs	21.50	N/C	N/C	5.00	N/C	4.00	***	207.00	258.00	1.17	03/05/84
20	Topaz Mutual Co	10.50	0.84	9.50	5.00	1,134.00	N/C	94,000	200.00	310.80	1.41	05/01/81
21	Valley Wtr Co	19.45	N/C	N/C	N/C	N/C	2.00	***	209.29	233.40	1.06	06/10/85
22	Verdi Meadows	21.00	N/C	N/C	N/C	250.00	5.00	***	***	252.00	1.15	12/18/85
23	Zephyr Cove Wtr	9.03 includes 6 outlets	2.08 additional outlets	N/C	N/C	50.00	11.12	***	***	144.48	0.66	01/16/79
Note: The following companies are provided for comparison purposes.												
1	Sierra Pac Pwr Co	22.12	N/C	N/C	N/C	N/C	0.40 per inch	216,000	265.44	265.44	1.21	10/26/84
2	Carson City Wtr Co	5.00	0.25 1st 5,000 gal 0.37 6-15 thous 0.50 16-50 thous 1.00 over 50,000	N/C	N/C	1,455.00	N/C	169,000	139.03	144.74	0.66	05/18/83
3	Las Vegas Vly Wtr	7.45	0.66	N/C	7.45	355.00	330.00 all hyd city LV 745.00 all hyd Clark Cty	257,000	259.20	174.82	0.79	05/05/83

\* 1981 Data - most recent available.

\*\* Does not currently meet requirements to be classified as a G.O. 26 company.

\*\*\* Data not available.

## APPENDIX D

Chart entitled "Schedule #4 - Customer Evaluations"



APPENDIX D

SCHEDULE #4  
CUSTOMER EVALUATIONS

LINE NO.	COMPANY NAME	PERCENT RESPONDING TO QUEST	PERCENT HAVING LOW PRESSURE PROBLEMS	PERCENT COMPLAINTS IN LAST YEAR	PERCENT BELIEVING SYSTEM WELL-MAINT	PERCENT BELIEVING BILLS TOO HIGH	PERCENT RECEIVING COURTEOUS TREATMENT	PERCENT RECEIVING PROMPT ACTION ON COMPL	PERCENT BELIEVING OVERALL WTR SVC FAIR OR BETTER
		A	B	C	D	E	F	G	H
1	Blue Diamond Wtr Co	52%	90%	39%	20%	14%	75%	35%	40%
2 *	Cave Rock Wtr Co	47%	---	---	---	---	---	---	---
3	Central Nevada Util	49%	28%	13%	82%	31%	82%	59%	91%
4	County Water Co	24%	12%	27%	42%	30%	46%	31%	49%
5	Crystal Clear Wtr Co	65%	53%	34%	41%	47%	56%	53%	56%
6	Dayton Vly Estates	54%	65%	24%	63%	28%	72%	51%	75%
7	Desert Inn Inpyant Co	53%	30%	26%	71%	53%	53%	50%	71%
8	Indian Springs Sewage	29%	43%	20%	67%	50%	60%	53%	67%
9 +	Mogul Wtr Co	---	---	---	---	---	---	---	---
10	Mason Wtr Co	66%	45%	30%	35%	65%	74%	30%	69%
11	Mountain View Wtr	52%	19%	10%	93%	10%	55%	40%	98%
12	Purity Utilities	46%	30%	19%	55%	51%	51%	30%	74%
13	Reno Park Wtr Co	47%	47%	24%	74%	54%	81%	47%	91%
14	Sheridan Acres Wtr	63%	62%	21%	47%	85%	57%	32%	75%
15	Silver Lake Wtr	47%	13%	20%	68%	77%	66%	40%	83%
16	Skyland Wtr Co	46%	31%	10%	76%	57%	57%	38%	92%
17	SkyRanch Utility Co	37%	39%	28%	76%	30%	59%	44%	89%
18 *	Spring Creek Util	45%	---	---	---	---	---	---	---
19 +	Steamboat Springs	59%	---	---	---	---	---	---	---
20 *	Topaz Mutual Co	50%	---	---	---	---	---	---	---
21	Valley Wtr Co	42%	31%	11%	85%	27%	78%	61%	94%
22 +	Verdi Meadows	---	---	---	---	---	---	---	---
23 @	Zephyr Cove Wtr	---	---	---	---	---	---	---	---

\* Results not entered on computer.

+ Not surveyed; certificated in 1985.

@ No labels provided by company.





## APPENDIX E

### Suggested Legislation

	<u>Page</u>
BDR 10-70.....Requires seller of subdivided land to disclose information about system to supply water and dispose of sewage.....	29
BDR 22-59.....Requires approval from public service commission of Nevada concerning supply of water for subdivided land and requires careful examination of utility associated with subdivider or developer.....	31
BDR 35-58.....Transfers certain authority to regulate railroads from public service commission of Nevada to department of transportation.....	33
BDR 58-60.....Makes certain changes concerning public utilities which supply water or services for disposal of sewage.....	49
BDR 58-63.....Establishes program to provide loans to certain public utilities which furnish water or services for disposal of sewage.....	53
BDR 58-64.....Requires public entity responsible for protection from fire to compensate public utility for supply of water for certain persons.....	55
BDR 61.....Urges public service commission of Nevada to hold hearing on deregulation of telecommunications.....	57



SUMMARY---Requires seller of subdivided land to disclose information about system to supply water and dispose of sewage. (BDR 10-70)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the sale of subdivided land; requiring the seller to disclose certain information concerning the system to supply water and dispose of sewage; and providing other matters properly relating thereto.

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

Section 1. NRS 119.183 is hereby amended to read as follows:

119.183 Each seller of more than one lot created by a map of division into large parcels must, before the intending purchaser signs any binding agreement, disclose to him in writing by a separate document signed by the intending purchaser [that]  
:

1. That the city, county, school district and special districts are not obligated to furnish any service, specifically mentioning [fire] protection from fire and roads, to the land so divided, and that any public utility may be similarly free of obligation [.] ;

2. The extent to which the cost of any system to supply water or dispose of sewage is included in the purchase price and the manner in which any costs not so included will be recovered by the seller or other person furnishing the service;

3. The anticipated rate or charge for any system to supply water or dispose of sewage that will be in effect when the subdivision is 25 percent, 50 percent and 100 percent occupied; and

4. Whether or to what extent the existing system to supply water or dispose of sewage is sufficient to meet the requirements of the subdivision when it is completely occupied.



SUMMARY---Requires approval from public service commission of Nevada concerning supply of water for subdivided land and requires careful examination of utility associated with subdivider or developer.  
(BDR 22-59)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to planning and zoning; requiring a certificate of approval from the public service commission of Nevada on the final map of a subdivision filed with the county recorder; requiring the public service commission to examine carefully a water company owned by a developer of land; and providing other matters properly relating thereto.

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

Section 1. NRS 278.377 is hereby amended to read as follows:

278.377 1. A final map presented for filing must include a certificate issued by:

(a) The health division of the department of human resources [,] or the local agency acting pursuant to NRS 278.335 indicating that the final map is approved concerning [sewage disposal,] the disposal of sewage, water pollution, water quality and [water supply facilities.] facilities for supplying water. The health division or local agency [may] shall not issue a certificate unless it has received written verification from the division of environmental protection of the state department of conservation and natural resources that the map or plan has been approved with regard to water pollution and [sewage] the disposal of sewage in accordance with [the Nevada Water Pollution Control Law.] NRS 445.131 to 445.354, inclusive.

(b) The division of water resources of the state department of conservation and natural resources, showing that the final map is approved concerning [water quantity.] the quantity of water.

(c) The public service commission of Nevada approving the continuity and adequacy of the proposed system to supply water or for the disposal of sewage, if the subdivider proposes to provide the system.

2. Any person aggrieved by the issuance or denial of approval with regard to water pollution and [sewage] the disposal of sewage by the division of environmental protection of the state department of conservation and natural resources may appeal to the state environmental commission, which shall affirm, modify or reverse the action of the division. The commission shall adopt regulations providing the time within which appeals must be taken and the manner of taking the appeal to the commission.

3. [A copy] Copies of the [certificate] certificates issued by the division of water resources [required by subsection 1] and the public service commission of Nevada must be furnished to the subdivider who in turn shall provide a copy of [such] each certificate to each purchaser of land before [the time] the sale is completed. Any statement of approval as required in subsection 1 is not a warranty or representation in favor of any person as to the safety or quantity of [such] water.

Sec. 2. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

The commission shall:

1. Consider the differences between a public utility which is independent and one which is owned or operated by a developer or subdivider of the land served by the public utility; and

2. Examine carefully and critically any public utility which is a subsidiary of a developer or subdivider of land,  
when regulating the operation of a public utility which furnishes water.

SUMMARY---Transfers certain authority to regulate railroads from public service commission of Nevada to department of transportation. (BDR 35-58)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the regulation of railroads; transferring to the department of transportation from the public service commission of Nevada certain authority to regulate railroads; and providing other matters properly relating thereto.

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

Section 1. Chapter 408 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. 1. Every railroad operating in this state shall report to the department any accident which occurs in the conduct of its operation, in the manner and within the time the director prescribes by regulation.

2. The department may investigate any accident which results in death if, in the director's judgment, the public interest requires it.

3. The director shall adopt such regulations as are necessary for the administration and enforcement of this section. The regulations must require:

(a) Reports on accidents to be filed at least once per month; and

(b) The use of forms as similar as possible to those provided and used by the Interstate Commerce Commission.

4. A railroad shall notify the department if an employee who was reported as negligent and as the cause of an accident is subsequently absolved from that negligence by the railroad.

Sec. 3. Every report required by section 2 of this act or prepared by the commission as a result of an investigation of a reported accident is confidential. Such reports may not be:

1. Disclosed to any person without the permission of the director; or
2. Admitted as evidence or used for any purpose in an action for damages arising out of any matter mentioned in the report.

Sec. 4. 1. After an investigation and hearing, which has been initiated either by the director or as the result of the filing of a formal application or complaint by the board of county commissioners of any county, the town board or council of any town or municipality or any railroad company, the director may determine and order for the safety of the traveling public:

- (a) The elimination, alteration, addition or change of a highway crossing over any railroad at grade, or above or below grade, including its approaches and surface.
- (b) Changes in the method of crossing at grade, or above or below grade.
- (c) The closing of a crossing and the substitution of another therefor.
- (d) The removal of obstructions to the public view in approaching any crossing.
- (e) Such other details of use, construction and operation as may be necessary to eliminate, change or improve a crossing to protect the public and prevent accidents.

2. The director shall order that the cost of any elimination, removal, addition, change, alteration or improvement so ordered be divided and paid by the state, county, town or municipality and the railroad interested as provided in section 5 of this act.

3. All costs incurred because of any hearing held under this section including but not limited to publication of notices, reporting, transcripts and rental of a hearing room must be apportioned 50 percent to the governmental unit affected and 50 percent to the railroad.



Sec. 5. 1. The entire cost of a new grade crossing or grade separation, including any automatic protective devices, if no existing grade crossing located at or in the immediate vicinity of the new grade crossing or grade separation is eliminated, must be apportioned to and borne by the governmental unit affected if a governmental unit initiates the proceeding or apportioned to and borne by the railroad if the proceeding is initiated by a railroad.

2. If a new grade separation will directly result in the elimination of an existing grade crossing located at or in the immediate vicinity of the grade separation or an existing grade separation is reconstructed, 13 percent of the cost must be apportioned to and borne by the railroad and the remainder of the cost apportioned to and borne by the governmental unit affected. If a grade separation provides either more lanes or space for more lanes than are in place on the existing grade crossing being eliminated, the railroad's share of the cost is limited to 13 percent of the cost of constructing a grade separation having the same number of lanes that were in place on the highway before construction of the new grade separation.

3. Where automatic protective devices are added or materially altered, changed or improved at an existing grade crossing, 87 percent of that cost must be apportioned to and borne by the governmental unit affected and 13 percent of the cost apportioned to and borne by the railroad.

4. The cost of maintaining any new, added or materially altered, changed or improved automatic protective devices and appurtenances must be apportioned 50 percent to the governmental unit affected and 50 percent to the railroad.

5. The maintenance of a new or reconstructed grade separation must be performed by the governmental unit affected and the cost apportioned to and borne by the governmental unit affected, except that the maintenance of waterproofing, ballast, ties,

tracks and other railroad equipment must be performed by the railroad and the cost apportioned to and borne by the railroad.

6. The railroad shall maintain at its expense the surface of grade crossings to a distance of 2 feet on the outer side of each outermost rail and such maintenance includes but is not limited to the roadbed, rails and all appurtenant facilities.

7. On projects where federal money is used, apportionment and division of costs must be in accordance with federal law and the regulations and orders of the federal agency administering that law to the extent that the law, regulations and orders require a different apportionment of costs than is set forth in this section. The provisions of this section may not otherwise be invoked on projects to the extent that the federal law, regulations and orders are applicable.

8. The provisions of this section impose no limitation upon the right of governmental units or railroads to negotiate agreements apportioning costs. To the extent that costs are apportioned by an agreement, the director shall order that costs be apportioned and borne in the manner provided by the agreement.

Sec. 6. The director may regulate the manner in which the tracks of a railway cross or connect with the tracks of another railway.

Sec. 7. The director may adopt such regulations as are necessary to carry out the provisions of sections 3 to 6, inclusive, of this act.

Sec. 8. NRS 78.085 is hereby amended to read as follows:

78.085 1. Every railroad company in this state shall, within 90 days after its road [shall be] is finally located:

(a) Cause to be made a map and profile thereof, and of the land taken and obtained for the use thereof, and the boundaries of the several counties through which the road may run;

(b) File the [same] map and profile in the office of the secretary of state and [a

duplicate thereof] duplicates with the public service commission of Nevada [;] and the department of transportation; and

(c) Cause to be made like maps of the parts thereof located in different counties, and file [the same] them in the office of the recorder of the county in which such parts of the road [shall be] are located.

2. The maps and profiles [shall] must be certified by the chief engineer, the acting president, and secretary of [such] the company and [copies of the same, so certified and filed as required by subsection 1, shall] certified copies must be kept in the office of the company, subject to examination by all interested persons.

Sec. 9. NRS 266.295 is hereby amended to read as follows:

266.295 The city council may:

1. License, regulate or prohibit the location, construction or laying of tracks of any railroad in any public right of way.

2. Grant franchises to any person or corporation to operate a railroad upon public rights of way and adjacent property.

3. Declare a nuisance and take up and remove, or cause to be taken up and removed, the tracks of any railway which have been laid upon, in, along, through or across any of the streets, alleys, avenues or public places of the city and which have not been operated with cars for public use for 1 year after the laying thereof.

4. Subject to the provisions of [NRS 704.300,] section 4 of this act, condemn rights of way for any public purpose across any railroad right of way.

5. Prescribe the length of time any public right of way may be obstructed by trains standing thereon.

6. Require railroad companies to fence their tracks and to construct cattle guards and crossings and to keep them in repair.

7. Require railroad companies to provide protection against injury to persons or property.

8. Compel railroad companies to raise or lower their tracks to conform to any grade established by the city, so that tracks may be crossed at any place on any street, alley or avenue.

9. Compel railroad companies to provide that drainage from property adjacent to their tracks not be impaired.

Sec. 10. NRS 481.054 is hereby amended to read as follows:

481.054 The following officers and employees of state and local government must be certified by the committee:

1. The bailiff of the supreme court;
2. The bailiffs of the district courts, justices' courts and municipal courts whose duties require them to carry weapons and make arrests;
3. Sheriffs of counties and of metropolitan police departments, their deputies and correctional officers;
4. Constables and their deputies whose official duties require them to carry weapons and make arrests;
5. Personnel of the Nevada highway patrol who exercise the police powers specified in NRS 481.150 and 481.180;
6. Inspectors employed by the public service commission of Nevada who exercise those enforcement powers conferred by chapters 704 [, 705] and 706 of NRS;
7. Marshals, policemen and correctional officers of cities and towns;
8. Parole and probation officers;
9. Special investigators who are employed full time by the office of any district attorney or the attorney general;
10. Investigators of arson for fire departments who are specially designated by the appointing authority;
11. Members of the police department of the University of Nevada System;

12. The assistant and deputies of the state fire marshal;
13. The brand inspectors of the state department of agriculture who exercise the powers of enforcement conferred in chapter 565 of NRS;
14. Investigators for the state forester firewarden who are specially designated by him and whose primary duties are the investigation of arson;
15. The superintendents and correctional officers of the department of prisons;
16. Employees of the division of state parks of the department of conservation and natural resources designated by the administrator of the division who exercise police powers specified in NRS 407.065;
17. Security officers employed by the board of trustees of any county school district;
18. Agents of the state gaming control board who:
  - (a) Exercise the powers of enforcement specified in NRS 463.140 or 463.1405; or
  - (b) Investigate a violation of a provision of chapter 205 of NRS in the form of a crime against property of a gaming licensee,except those agents whose duties relate primarily to auditing, accounting, the collection of taxes or license fees, or the investigation of applicants for licenses;
19. The chief, investigators and agents of the investigation division of the department of motor vehicles and public safety;
20. Investigators and administrators of the bureau of enforcement of the registration division of the department of motor vehicles and public safety who exercise the police powers specified in NRS 481.048;
21. Officers and investigators of the section for the control of emissions from vehicles of the registration division of the department of motor vehicles and public safety who exercise the police powers specified in NRS 481.0481;
22. The personnel of the department of wildlife who exercise those enforcement powers conferred by Title 45 and chapter 488 of NRS;

23. Security officers of the legislature of the State of Nevada;
24. Police officers of the buildings and grounds division of the department of general services;
25. Group supervisors of the Nevada girls training center and the Nevada youth training center;
26. Parole counselors of the youth services division of the department of human resources;
27. Juvenile probation officers and deputy juvenile probation officers employed by the various judicial districts in Nevada;
28. Field investigators of the taxicab authority; and
29. Security officers employed full time by a city or county whose official duties require them to carry weapons and make arrests.

Sec. 11. NRS 703.155 is hereby amended to read as follows:

703.155 1. The employees of the commission whom it designates as inspectors and as manager of transportation have police power for the enforcement of all regulations of the commission or the department of motor vehicles and public safety pertaining to chapters 704 [, 705] and 706 of NRS.

2. The commission's inspectors and the manager of transportation are peace officers for the enforcement of chapters 482, 704 [, 705] and 706 of NRS.

3. The commission's inspectors and the manager of transportation are peace officers for the enforcement of chapters 483 and 484 of NRS for vehicles which are regulated pursuant to chapter 706 of NRS.

4. Inspectors and the manager of transportation may carry firearms in the performance of their duties.

Sec. 12. NRS 703.197 is hereby amended to read as follows:

703.197 1. The commission may collect fees for the filing of any official document required by this chapter and chapters 704, 704A, [705,] 706, 708 and 712 of NRS or by a regulation of the commission.

2. Filing fees may not exceed:

(a) For applications, \$200.

(b) For petitions seeking affirmative relief, \$200.

(c) For each tariff page which requires public notice and is not attached to an application, \$10. If more than one page is filed at one time, the total fee may not exceed the cost of notice and publication.

(d) For all other documents which require public notice, \$10.

3. If an application or other document is rejected by the commission because it is inadequate or inappropriate, the filing fee must be returned.

4. The commission may not charge any fee for filing a complaint.

Sec. 13. NRS 703.210 is hereby amended to read as follows:

703.210 1. The commission may employ, or retain on a contract basis, legal counsel who shall:

(a) Except as provided in subsection 2, be counsel and attorney for the commission in all actions, proceedings and hearings.

(b) Prosecute in the name of the public service commission of Nevada all civil actions for the enforcement of chapters 704, 704A, [705,] 706, 708 and 712 of NRS and for the recovery of any penalty or forfeiture provided for therein.

(c) Generally aid the commission in the performance of its duties and the enforcement of chapters 704, 704A, [705,] 706, 708 and 712 of NRS.

2. Each district attorney shall:

(a) Prosecute any violation of chapter 704, 704A, [705,] 706, 708, 711 or 712 of NRS for which a criminal penalty is provided and which occurs in his county.

(b) Aid in any investigation, prosecution, hearing or trial held under the provisions of chapter 704, 704A, [705,] 706, 708, 711 or 712 of NRS and, at the request of the commission or its legal counsel, act as counsel and attorney for the commission.

3. The attorney general shall, if the district attorney fails or refuses to do so, prosecute all violations of the laws of this state by public utilities and motor carriers under the jurisdiction of the commission and their officers, agents and employees.

4. The attorney general is not precluded from appearing in or moving to intervene in any action and representing the interest of the State of Nevada in any action in which the commission is a party and is represented by independent counsel.

Sec. 14. NRS 703.380 is hereby amended to read as follows:

703.380 1. Unless another penalty is specifically provided, any public utility or any officer, agent or employee of a public utility who:

(a) Violates any of the provisions of this chapter or chapters 704, [705,] 708 and 712 of NRS;

(b) Violates any rule or regulation of the commission; or

(c) Fails, neglects or refuses to obey any order of the commission or any order of a court requiring compliance with an order of the commission, is liable for a civil penalty not to exceed \$1,000 per day for each day of the violation and not to exceed \$100,000 for any related series of violations.

2. The amount of any civil penalty to be imposed pursuant to this section, and the propriety of any compromise of a penalty, must be determined by a court of competent jurisdiction upon the complaint of the commission.

3. Subject to the approval of the court, any civil penalty may be compromised by the commission. In determining the amount of the penalty, or the amount agreed



upon in compromise, the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation and the good faith of the person charged in attempting to achieve compliance, after notification of a violation, must be considered.

4. Any penalty assessed pursuant to this section is not a cost of service by the public utility and may not be included in any new application by a public utility for a rate adjustment or rate increase.

Sec. 15. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

The provisions of NRS 704.190, 704.260 and 704.280 do not apply to railroads or their employees, property or equipment.

Sec. 16. NRS 704.190 is hereby amended to read as follows:

704.190 1. [Every] A public utility operating in this state shall, whenever an accident occurs in the conduct of its operation causing death, give prompt notice thereof to the commission, in such manner and within such time as the commission may prescribe. If in its judgment the public interest requires it, the commission may cause an investigation to be made forthwith of any accident, at such place and in such manner as the commission [shall deem] deems best.

2. Every such public utility shall report to the commission, at the time, in the manner and on such forms as the commission [shall by its printed rules and regulations prescribe,] prescribes, all accidents happening in this state and occurring in, on or about the premises, plant, instrumentality or facility used by [any such] the utility in the conduct of its business.

3. The commission shall [promulgate and] adopt all reasonable [rules and] regulations necessary for the administration and enforcement of this section. [Such rules and regulations shall in any event] The regulations must require that all accidents required to be reported [herein shall] in this section be reported to the commission

at least once every calendar month by such officer [or officers] of the utility as the commission [shall direct.] directs.

4. The commission shall adopt and [utilize all accident report forms, which forms shall be so designed as] require the use of forms designed to provide a concise and accurate report of the accident and [which report shall in any event] show the true cause of the accident. [The accident report forms adopted for the reporting of railroad accidents shall be the same in design as near as may be as the railroad accident report forms provided and used by the Interstate Commerce Commission.]

5. If any accident is reported to the commission [shall be reported] by the utility as being caused by or through the negligence of an employee and thereafter [such] the employee is absolved from [such] negligence by the utility and found not to be responsible for the accident, [such fact shall] that fact must be reported by the utility to the commission.

6. All [accident reports herein required shall] reports required by this section must be filed in the office of the commission and there preserved. Notwithstanding any other provisions of law, neither any [accident] report of an accident made as required by this chapter, nor any report of the commission made pursuant to any [accident] investigation made by it, [shall be] may be open to public inspection or disclosed to any person, except upon order of the commission, nor [shall either or any of] may the reports, or any portion thereof, be admitted as evidence or used for any purpose in any suit or action for damages growing out of any matter mentioned in the [accident] report of an accident or report of any [such] investigation.

Sec. 17. NRS 704.280 is hereby amended to read as follows:

704.280 The commission may:

1. Regulate the manner in which power, telephone and telegraph lines, pipelines and the tracks of any [street, steam or electric railroad or other] common carrier cross or connect with any other such lines or common carriers.

2. [Prescribe] Adopt such regulations and [safety devices, respectively,] prescribe such devices for safety as may be necessary [for the purpose of securing] to secure adequate service and [for the protection of] protect the public.

Sec. 18. Chapter 705 of NRS is hereby amended by adding thereto a new section to read as follows:

Each district attorney shall:

1. Prosecute any violation of this chapter which occurs in his county and for which a criminal penalty is provided; and

2. Aid in any investigation, prosecution, hearing or trial held under the provisions of this chapter or chapter 408 of NRS relating to railroads and, at the request of the department or its chief counsel, act as counsel and attorney for the department.

Sec. 19. NRS 705.210 is hereby amended to read as follows:

705.210 1. As used in this section:

(a) "Employees" means persons actually engaged in or connected with the movement of any train.

(b) "Railroad" includes all bridges and ferries used or operated in connection with any railroad, and also all the road in use by any common carrier operating a railroad, whether owned or operated under a contract agreement or lease.

2. The provisions of this section [shall] apply to any common carrier [or carriers, their] and its officers, agents and employees engaged in the transportation of passengers or property by railroad in the State of Nevada.

3. It [shall be] is unlawful for any common carrier, its officers or agents, subject to this section, to require or permit any employee subject to this section to be or remain on duty for a longer period than 16 consecutive hours, and whenever any such employee [of such common carrier shall have been] has been continuously on duty for 16 hours he [shall] must be relieved and not required or permitted again to go

on duty until he has had at least 10 consecutive hours off duty. [No such] An employee who has been on duty 16 hours in the aggregate in any 24-hour period [shall] must not be required or permitted to continue or again go on duty without having had at least 8 consecutive hours off duty.

4. [No] An employee who, by the use of the telegraph or telephone or other electrical device, dispatches, reports, transmits, receives or delivers orders or who from towers, offices, places and stations operates signals or switches or similar mechanical devices controlling, pertaining to, or affecting the movement of trains of more than two cars [shall] must not be required or permitted to be or remain on duty in any 24-hour period for a longer period than 8 hours, which period of 8 hours [shall] must be wholly within the limits of a continuous shift and upon the completion of which period [such employee shall] the employee must not be required or permitted again to go on duty until the expiration of 16 hours. This subsection [shall] does not apply to employees who in case of emergency use the telephone to obtain orders or information governing the movement of trains. In case of emergency, the employees named in this subsection may be permitted to be and remain on duty for 4 additional hours in a 24-hour period of not exceeding 3 days in any week.

5. Any common carrier, or any officer or agent thereof, requiring or permitting any employee to go, be or remain on duty in violation of subsections 3 and 4 shall be punished by a fine of not more than \$500.

6. In all prosecutions under this section the common carrier shall be deemed to have had knowledge of all acts of its officers and agents.

7. The provisions of this section [shall] do not apply:

(a) In any case of casualty or unavoidable accident or the act of God.

(b) Where the delay was the result of a cause not known to the carrier or its officers or agents in charge of such an employee at the time the employee left the terminal and which could not have been foreseen.

(c) To the crews of wrecking or relief trains.

(d) To railroads not maintaining a regular night train schedule.

8. The [public service commission of Nevada] department of transportation shall:

(a) Execute and enforce the provisions of this section, and all powers granted by law to the [public service commission of Nevada] department are hereby extended to it in the execution of this section.

(b) Lodge with the proper district attorneys information of any violations of this section which may come to its knowledge.

Sec. 20. NRS 705.360 is hereby amended to read as follows:

705.360 1. Every company, corporation lessee, manager or receiver, owning or operating a railroad in this state, shall equip, maintain, use and display at night upon each locomotive being operated in road service in this state an electric or other headlight of at least 1,500 candle power, measured without the aid of a reflector. Any electric headlight which will pick up and distinguish a man dressed in dark clothes upon a dark, clear night at a distance of 1,000 feet is deemed the equivalent of a 1,500 candle power headlight measured without the aid of a reflector.

2. This section does not apply to:

(a) Locomotive engines regularly used in switching cars or trains.

(b) Railroads not maintaining regular night train schedules.

(c) Locomotives going to or returning from repair shops when ordered in for repairs.

3. Any railroad company, or the receiver or lessee thereof, which violates the provisions of this section is liable to the [public service commission of Nevada] department of transportation for a penalty of not more than \$1,000 for each violation.

Sec. 21. NRS 705.370 is hereby amended to read as follows:

705.370 1. Each railroad company or corporation or its receiver, owning or

operating any railroad within this state, shall equip and maintain in each of its passenger trains, cabooses, locomotives, motors or diesel engines used in the propelling of trains or switching of cars an emergency first-aid kit whose contents must be those prescribed by the [public service commission of Nevada.] department of transportation. Each passenger train and each caboose must be equipped with at least one stretcher. All of the contents of the emergency first-aid kits, except the stretchers, must be stored on each passenger train, caboose, locomotive, motor or diesel engine, in a clean, sanitary and sterile container and in an accessible place at all times, which places, including the storage places of stretchers, must be plainly designated.

2. The employee of any railroad company or corporation or its receiver, having charge of any passenger train, caboose, locomotive, motor or diesel engine, shall as soon as possible report in writing to the office or officer designated by the company, corporation or receiver for the purpose, whenever any of the emergency first-aid kit has been used or has been found missing. The emergency first-aid kit must only be used to render first medical or surgical aid to injured passengers, employees or other injured persons requiring first aid.

3. Any railroad company or corporation or its receiver, which refuses, neglects or fails to comply with the provisions of this section is liable for a penalty to the [public service commission of Nevada] department of transportation of \$25 for each failure to equip a passenger train, caboose, locomotive or motor or diesel engine with the emergency first-aid kit specified in subsection 1.

4. Any person who removes, carries away from its proper place or uses any emergency first-aid kit provided in this section, except for the purpose of administering first aid in the event of injury to any passenger, employee or other person shall be fined not more than \$500.

Sec. 22. NRS 704.300 and 704.305 are hereby repealed.

Sec. 23. This act becomes effective on January 1, 1988.

SUMMARY---Makes certain changes concerning public utilities which supply water or services for disposal of sewage. (BDR 58-60)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

AN ACT relating to public utilities which supply water or services for the disposal of sewage; limiting an exemption from regulation by the public service commission of Nevada for certain utilities; expanding the applicability of the simplified procedure for a change of rates; permitting the appointment of a receiver under additional circumstances and expanding his powers; and providing other matters properly relating thereto.

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

Section 1. NRS 704.030 is hereby amended to read as follows:

704.030 "Public utility," does not include:

1. Persons insofar as they own, control, operate or manage motor vehicles operated as hearses, ambulances or hotel buses engaged in the transportation of persons for hire exclusively within the limits of a city of this state.

2. Persons engaged in the production and sale of natural gas, other than sales to the public, or engaged in the transmission of natural gas other than as a common carrier transmission or distribution line or system.

3. Persons engaged in the business of furnishing, for compensation, water or [sewer services, or water and sewer services,] services for the disposal of sewage, or both, to persons within this state if:

(a) They serve 25 persons or less; or

(b) Their gross sales for water or [sewer services, or water and sewer services,] services for the disposal of sewage, or both, amounted to \$5,000 or less during the immediately preceding 12 months,

and in either case they [do not own or control any other business furnishing water or sewer service or water and sewer service within this state.] have not manifested an intent to exceed the limit established in paragraph (a) or (b) when their business is fully developed.

4. Any common motor carrier, contract motor carrier of passengers or property, or private motor carrier subject to the provisions of chapter 706 of NRS.

5. Persons not normally engaged in the production and sale of water but which sell or furnish water as an accommodation in an area where water is not available from a public utility, cooperative corporations and associations or political subdivisions engaged in the business of furnishing water, for compensation, to persons within the political subdivision.

6. Persons who are engaged in the production and sale of energy, including electricity, to public utilities, cities, counties or other entities which are reselling the energy to the public.

Sec. 2. NRS 704.095 is hereby amended to read as follows:

704.095 The commission shall adopt regulations which provide a simplified procedure for a change of rates for those public utilities which furnish water or [sewer service,] services for the disposal of sewage, or both, to persons within this state for compensation, and which:

1. Serve [1,200] 2,000 persons or less; and

2. Had during the immediately preceding 12-month period gross sales for water or [sewer service,] services for the disposal of sewage, or both, amounting to [\$150,000] \$500,000 or less . [; and

3. Do not own or control any other business entity furnishing water or sewer service, or both, within this state.]



Sec. 3. NRS 704.683 is hereby amended to read as follows:

704.683 1. If the commission determines after notice and hearing that a public utility which furnishes water or [sewer services,] services for the disposal of sewage, or both:

(a) Is unable to provide reasonably continuous and adequate service; [or]

(b) Is unable or unwilling to comply with the orders and regulations of the commission; or

(c) Otherwise qualifies for appointment of a receiver pursuant to NRS 32.010, the commission may file a petition for the appointment of a receiver for the public utility in the district court for the county in which the principal office of the utility is located within this state, or in the district court for Carson City if the principal office of the utility is located outside this state, to insure the public interest in receiving service from the public utility in the manner required by law.

2. The district court in which the petition is filed pursuant to subsection 1 shall immediately appoint a receiver qualified to manage the type of public utility for which the petition was filed if it finds the determination of the commission to be correct.

3. Any person so appointed receiver is, from the time of his appointment until [his] the termination of his duties pursuant to law, subject to all duties and has all powers generally conferred upon a receiver by law [.] , including the power to petition for relief in bankruptcy and to sell or transfer the assets of the public utility for the benefit of the public utility's creditors.



SUMMARY---Establishes program to provide loans to certain public utilities which furnish water or services for disposal of sewage. (BDR 58-63)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

AN ACT relating to public utilities; requiring the public service commission of Nevada to establish a program to provide loans to certain public utilities which furnish water or services for the disposal of sewage; providing for a surcharge on the bills of customers of certain public utilities to pay the costs of the program; and providing other matters properly relating thereto.

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 a new section to read as follows:

1. The commission shall develop and administer a program to provide loans to a public utility which:

(a) Furnishes water or services for the disposal of sewage, or both, to persons within this state for compensation;

(b) Cannot obtain financing from other sources;

(c) Serves 2,000 persons or less; and

(d) Had during the immediately preceding 12-month period gross sales for water or services for the disposal of sewage, or both, amounting to \$500,000 or less.

2. A surcharge is hereby imposed on the water and the services for the disposal of sewage supplied to each customer of a public utility which supplies water or such services, or both, in this state sufficient to cover the costs of the program. The commission shall establish by regulation the amount to be charged. Those public utilities

shall collect the surcharge from their customers and transfer the money collected to the commission pursuant to regulations adopted by the commission.

3. The fund for loans to public utilities which furnish water or services for the disposal of sewage is hereby created as a special revenue fund to be administered by the commission. Any money collected from the surcharge imposed pursuant to subsection 2 must be deposited in the state treasury for credit to the fund. The money in the fund may be used only:

(a) For loans to public utilities which qualify pursuant to subsection 1;

(b) To reimburse public utilities for the expenses incurred in collecting and transferring to the commission the surcharge imposed pursuant to subsection 2; and

(c) For the general administration of the program.

4. The commission may adopt by regulation standards and procedures for the operation of the program.

SUMMARY---Requires public entity responsible for protection from fire to compensate public utility for supply of water for certain persons.  
(BDR 58-64)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to public utilities which supply water; requiring the public entity responsible for providing services for protection from fire to compensate the public utility for supplying sufficient water and pressure for protection from fire to persons who are not customers of the utility; and providing other matters properly relating thereto.

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

Section 1. NRS 704.660 is hereby amended to read as follows:

704.660 1. Any public utility which furnishes, for compensation, any water for domestic purposes shall furnish each city, town, village or hamlet which it serves with a reasonably adequate supply of water at reasonable pressure for [fire] protection from fire and at reasonable rates, all to be fixed and determined by the commission.

2. The duty to furnish a reasonably adequate supply of water provided for in subsection 1 includes the laying of mains with all necessary connections for the proper delivery of the water for [fire] protection from fire and also the installing of appliances to assure a reasonably sufficient pressure . [for fire protection.]

3. The commission may fix and determine reasonable rates and prescribe all installations and appliances adequate for the proper utilization and delivery of water for [fire protection.] protection from fire. The local government, governmental agency or political subdivision responsible for providing services for protection from fire shall adequately compensate the public utility, at a rate determined by the commission, for

the extension of the services required by this section to persons who are not customers of the utility. The commission may adopt regulations and practices to be followed by a utility in furnishing water for [fire protection,] protection from fire, and has complete jurisdiction of all questions arising under the provisions of this section.

4. All proceedings under this section must be conducted pursuant to NRS 703.320 to 703.370, inclusive, and 704.010 to 704.640, inclusive. All violations of any order made by the commission under the provisions of this section are subject to the penalties for [like] violations of the provisions of NRS 704.010 to 704.640, inclusive.

5. This section applies to and governs all public utilities furnishing water for domestic use on March 26, 1913, unless otherwise expressly provided in the charters, franchises or permits under which those utilities are acting. Each public utility which supplies water for domestic uses after March 26, 1913, is subject to the provisions of this section, regardless of any conditions to the contrary in any charter, franchise or permit of whatever character granted by any county, city, town, village or hamlet within this state, or of any charter, franchise or permit granted by any authority outside this state.

SUMMARY---Urges public service commission of Nevada to hold hearing on deregulation of telecommunications. (BDR 61)

CONCURRENT RESOLUTION---Urging the public service commission of Nevada to hold public hearings on the deregulation of services for telecommunication in this state.

WHEREAS, The divestiture of the American Telephone and Telegraph Company by order of a federal court in 1982 has had a profound effect on the cost of telecommunications; and

WHEREAS, The Nevada legislature in 1985 approved an amendment to NRS 704.040 permitting the public service commission of Nevada to exempt from regulation, after a hearing, services relating to telecommunication if it determines that the services are competitive and regulation is unnecessary; and

WHEREAS, No action has yet been taken to remove the regulatory burden from those utilities which have proven successful in the competitive market place; now, therefore, be it

RESOLVED BY THE                                OF THE STATE OF NEVADA, THE

CONCURRING, That the public service commission of Nevada is urged to hold public hearings to determine whether sufficient competition exists to deregulate services related to telecommunication as provided in NRS 704.040; and be it further

RESOLVED, That the \_\_\_\_\_ of the \_\_\_\_\_ prepare and transmit a copy of this resolution to the public service commission of Nevada.