

**ADOPTED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R016-06

Effective June 1, 2006

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §1, NRS 703.025 and 704.210.

A REGULATION relating to public utilities; revising provisions governing the intrastate transportation of gas; and providing other matters properly relating thereto.

Section 1. NAC 704.460 is hereby amended to read as follows:

704.460 The Commission hereby adopts by reference the regulations contained in 49 C.F.R. Parts 191, 192, 193 and 199, as those regulations existed on ~~[October 1, 2004.]~~ *January 1, 2006.* Copies of those parts are available at no charge from the United States ~~[Department of Transportation, Research and Special Programs Administration, Washington, D.C. 20590.]~~ *Government Printing Office at the Internet address <http://www.gpoaccess.gov>.*

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R016-06**

The Public Utilities Commission of Nevada adopted regulations assigned LCB File No. R016-06 which pertain to chapter 704 of the Nevada Administrative Code on May 5, 2006.

Notice date: 1/26/2006

Date of adoption by agency: 5/5/2006

Hearing date: 3/8/2006; 3/29/2006

Filing date: 6/1/2006

INFORMATIONAL STATEMENT

1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

The Regulations concerning adopting the currently effective federal pipeline safety regulations in Public Utilities Commission of Nevada (“Commission”) Docket No. 06-01003 were noticed by a Notice of Intent to Amend/Adopt/Repeal Regulations, Request for Comments, Notice of Workshop and Notice of Hearing issued on January 26, 2006. The Notice was published in the Elko Daily Free Press, Las Vegas Review Journal, Nevada Appeal, Reno Gazette Journal, and Tonopah Times-Bonanza. Additionally, the notice was mailed to county clerks, county libraries and all persons who requested inclusion on the Commission’s service list.

A copy of the summary may be obtained by calling the Commission at (775) 687-6001 or (702) 486-2600, or by writing to the Commission at 1150 East William Street, Carson City, Nevada 89701 or 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.

2. The number of persons who:

(a) Attended the workshop:

March 29, 2005: 4

(b) Testified at the workshop:

April 13, 2004: 0

(c) Attended the hearing:

April 13, 2005: 4

(d) Submitted to the agency written comments:

None.

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited by notices placed in the newspapers mentioned in the response to question #1 above, by direct mailings to interested persons on the Commission's mailing list and by posting of notices at county libraries, courthouses and the Commission's website.

Appearances were made at the foregoing workshops and hearings by interested persons, including: Public Utilities Commission's regulatory Staff ("Staff") and Southwest Gas Corporation.

Staff proposed a change be made to the regulation indicating the appropriate entity to receive copies of the pertinent federal regulations, and this change was adopted.

Transcripts of the workshops and hearings, copies of the comments and this summary are on file and available for public viewing at the offices of the Commission. Copies of the transcripts may be obtained by calling the Commission at (775) 687-6001 or (702) 486-2600, or by writing to the Commission at: 1150 East William Street, Carson City, Nevada 89701 and 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.

4. If the Regulations were adopted without changing any part of the Proposed Regulations, a summary of the reasons for adopting the Regulations without change.

Not applicable.

5. The estimated economic effect of the adopted Regulations on the businesses that it is to regulate and on the public. These must be stated separately, and each case must include:

- (a) Both adverse and beneficial effects; and**
- (b) Both intermediate and long-term effects.**

The Commission completed a small business impact statement pursuant to Nevada Revised Statute ("NRS") 233B.0608. On January 27, 2006, the Presiding Officer issued a Procedural Order instructing Staff to conduct an investigation into whether the Proposed Regulation is likely to: (i) impose a direct and significant economic burden upon a small business; or (ii) directly restrict the formation, operation or expansion of a small business. Staff was required to present a report on the investigation to the Commission. At the March 15, 2006, general session of the Commission, Staff presented its report. The Commission voted at that general session to accept Staff's recommendation that the Proposed Regulations do not impose a direct and significant burden on small businesses in Nevada or restrict the formation, operation or expansion of small businesses in Nevada.

6. The estimated cost to the agency for enforcement of the adopted Regulations.

At this time, the Commission cannot quantify what, if any, estimated cost it will incur to enforce the adopted Regulations. The regulation does not establish any new fee or increase any existing fees.

7. A description of any Regulations of other state or government agencies that the Proposed Regulations overlap or duplicates and a statement explaining why the duplication or overlapping is necessary. If the Regulations overlaps or duplicates a federal Regulations, the name of the regulating federal agency.

The Regulation adopts the currently effective federal pipeline safety regulations in which the state of Nevada, through the Commission, participates in a contract with the United States Department of Transportation, Research and Special Programs Administration, Office of Pipeline Safety, in enforcement of the Code of Federal Regulations, Parts 191, 192, 193, 195 and 199, applicable to natural gas, liquefied natural gas and liquefied petroleum gas pipelines, but does not overlap or duplicate other state and local regulations. The adopted regulations will ensure that Nevada complies with the federal pipeline safety regulations as soon as they become effective.

8. If the Regulations include provisions that are more stringent than federal Regulations that regulate the same activity, a summary of such provisions.

The Regulation would adopt the same provisions of the currently effective federal safety pipeline regulations.

9. If the Regulations provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The Commission does not anticipate any new fees or an increase in any existing fees as a result of the adoption of these Regulations.