

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

LCB File No. R062-07

Effective October 31, 2007

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

AUTHORITY: §§1-3, NRS 703.025, 703.191 and 704.210; §4, NRS 703.025, 704.210, 704.997 and 704.998.

A REGULATION relating to public utilities; enacting provisions pertaining to certain annual reports which must be filed with the Public Utilities Commission of Nevada; repealing provisions pertaining to certain licensing fees for alternative sellers of natural gas; and providing other matters properly relating thereto.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this subsection, each entity described in subsection 1 of NRS 703.191 shall submit to the Commission an annual report on or before May 15 of the year following the year for which the annual report is filed. A provider of telecommunication service is not required to submit an annual report pursuant to this section and shall submit an annual report pursuant to NAC 704.7483. A provider of last resort of basic service which is authorized by the Commission to be regulated pursuant to a plan of alternative regulation is not required to submit an annual report pursuant to this section and shall submit an annual report pursuant to NAC 704.6849.

2. An entity submitting an annual report pursuant to subsection 1 shall include in the annual report:

(a) A statement of income;

(b) A balance sheet;

(c) A statement of intrastate revenue;

(d) The number of customers served by the entity; and

(e) Any additional information requested by the Commission pursuant to subsection 3.

3. The Commission may request that an entity submitting an annual report pursuant to subsection 1 include in the annual report any additional information that the Commission deems necessary for inclusion in the annual report.

Sec. 2. NAC 704.533 is hereby amended to read as follows:

704.533 1. An operator shall:

(a) Provide facilities and service which are reasonably adequate at just and reasonable rates.

(b) Provide a method for receiving and acting on complaints by customers in accordance with NAC 704.537.

(c) Design, install, construct, inspect, test, operate ~~[.]~~ and maintain the system in accordance with the applicable regulations adopted pursuant to NAC 704.460 and 704.461.

(d) File with the Commission ~~[, not later than March 30 of each year,]~~ an annual report for the reporting period in accordance with NAC 704.534 ~~[.]~~ *and section 1 of this regulation.*

(e) Provide each of the customers of the system with a written explanation of the procedure for responding to an emergency in accordance with NAC 704.535.

(f) Bill each of the customers of the system for the amount of liquefied petroleum gas delivered. The names of the customer and operator, the dates of the beginning and end of the billing period, the meter readings for the dates of the beginning and end of the billing period, the quantity consumed, the price of liquefied petroleum gas, any other authorized charge, and the

total charge must be clearly stated on the bill. The format for the bill must make it possible for the customer to calculate easily the total amount due as shown on the bill.

(g) Notify each of the customers of the system in writing of any change in the charge for owning, operating ~~and~~ and maintaining the system or any change in the price of liquefied petroleum gas of 10 percent or more, not later than 5 days after the date on which the increase becomes effective.

(h) Maintain for not less than 3 years records of all expenditures and collections for liquefied petroleum gas service.

(i) Maintain records evidencing compliance with the requirements contained in the regulations adopted pursuant to NAC 704.460 for at least the period specified in those regulations or 3 years, whichever is longer.

2. The records required to be maintained pursuant to this section must be easily accessible for review by the Commission.

Sec. 3. NAC 704.534 is hereby amended to read as follows:

704.534 ~~Ann~~ *In addition to the information required by section 1 of this regulation, an annual report must contain:*

1. The name, principal business address ~~and~~ and telephone number of the operator.
2. The name and title of the person making the report.
3. The location of the system.
4. The size and number of liquefied petroleum gas containers used in serving the system and the current number of customers, both active and inactive, served from each container or group of containers.

5. The highest, lowest ~~§~~ and last price charged for liquefied petroleum gas service during the reporting period, including the price of liquefied petroleum gas delivered per unit volume and the amount of any other charges assessed to customers.

6. The highest, lowest ~~§~~ and last price per unit volume paid by the operator for delivery of bulk liquefied petroleum gas to the system during the reporting period.

7. The name of the current supplier of bulk liquefied petroleum gas to the system.

8. A summary of all expenditures and collections for liquefied petroleum gas service during the reporting period, including a summary of expenses of operation and maintenance.

9. A copy of the written explanation of the procedure described in NAC 704.535.

10. The number of complaints related to safety, service ~~§~~ and billing received during the reporting period and a brief explanation of the action that the operator took to respond to all such complaints.

11. A brief explanation of all action taken by the operator to correct any unsafe conditions which were identified during the reporting period.

Sec. 4. NAC 704.79551, 704.79553, 704.79555, 704.79557 and 704.79559 are hereby repealed.

TEXT OF REPEALED SECTIONS

704.79551 “Alternative seller” defined. (NRS 703.025, 704.210, 704.997, 704.998) As used in NAC 704.79551 to 704.79559, inclusive, unless the context otherwise requires, “alternative seller” has the meaning ascribed to it in NRS 704.994.

704.79553 Rate; credit claim; exemption. (NRS 703.025, 704.210, 704.997, 704.998)

1. The Commission will levy and collect an annual licensing fee from each alternative seller.
2. Except as otherwise provided in this section, the annual licensing fee is payable at the same rate as the rate used to assess public utilities for the use of the Commission and the use of the Consumer’s Advocate of the Bureau of Consumer Protection in the Office of the Attorney General pursuant to NRS 704.033, based on each dollar of gross revenue derived from sales related to services provided pursuant to the license of the alternative seller during the calendar year preceding the year in which the fee is payable. In no event will the annual licensing fee be less than \$10.
3. An alternative seller may claim a credit against the annual licensing fee owed for fees paid to a public utility or another alternative seller for services purchased for intrastate resale during the calendar year preceding the year in which the fee is payable.

4. For the purposes of this section, the gross revenue of an alternative seller does not include revenue derived from the sale of a discretionary service pursuant to a contract entered into before September 27, 1999. The exemption provided by this subsection is not applicable upon the expiration of such a contract.

5. The annual licensing fee required to be paid pursuant to this section is in addition to, and not in lieu of, any other fee or assessment required to be paid by the alternative seller.

6. As used in this section, “discretionary service” means the sale of natural gas to a customer who is an end user and is eligible to be served under a schedule or contract approved by the Commission pursuant to NAC 704.518 or a tariff for transportation services approved by the Commission.

704.79555 Revenue report form; payment; penalty. (NRS 703.025, 704.210, 704.997, 704.998)

1. On or before June 1 of each year, the Commission will mail revenue report forms to all alternative sellers, to the addresses on file with the Commission. The revenue report form serves as notice of the Commission’s intent to collect an annual licensing fee, but failure on the part of the Commission to notify any alternative seller does not invalidate the requirement of the alternative seller to pay the fee.

2. Each alternative seller shall complete the revenue report form, compute the amount of the fee owed, and return the completed form to the Commission accompanied by the payment of the fee and any penalty due pursuant to the provisions of subsection 5.

3. The annual licensing fee is due on July 1 of each year, but may, at the option of the alternative seller, be paid quarterly on July 1, October 1, January 1 and April 1.

4. The annual licensing fee and any penalty computed by the alternative seller is subject to review and audit by the Commission, and the amount of the fee and any penalty may be adjusted by the Commission as a result of the audit and review.

5. Any alternative seller who fails to pay the annual licensing fee on or before August 1 or, if paying quarterly, on or before August 1, October 1, January 1 or April 1, shall pay, in addition to the fee, a penalty of 1 percent of the total unpaid balance for each month or portion thereof that the fee is delinquent or \$10, whichever is greater. In no event will a penalty exceed \$1,000 for each delinquent payment.

704.79557 Action by Commission to collect fee or penalty. (NRS 703.025, 704.210, 704.997, 704.998) The Commission may bring an appropriate action in its own name for the collection of any fee or penalty which is not paid pursuant to NAC 704.79553 and 704.79555.

704.79559 Transfer to Account for Consumer's Advocate. (NRS 703.025, 704.210, 704.997, 704.998) The Commission will, on a quarterly basis, transfer to the Account for the Consumer's Advocate in the Bureau of Consumer Protection in the Office of the Attorney General that portion of the fees and penalties collected pursuant to NAC 704.79553, 704.79555 and 704.79557 which belongs to the Consumer's Advocate.

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R062-07
DOCKET NO. 07-05003

The Public Utilities Commission of Nevada adopted regulations assigned LCB File No. R062-07 which pertain to chapter 704 of the Nevada Administrative Code.

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.

Copies of the proposed regulations, notice of intent to act upon the regulation and notice of workshop and hearing were sent by U.S. mail and email to persons who were known to have an interest in the subjects of annual reports and licensing fees for alternative sellers of natural gas. These documents were also made available at the website of the Public Utilities Commission (“PUC”), <http://pucweb1.state.nv.us/PUCN/>, mailed to all county libraries in Nevada, published in the following newspapers:

Elko Daily Free Press
Las Vegas Review Journal
Nevada Appeal
Reno Gazette Journal
Tonopah Times-Bonanza,

and posted at the following locations:

Public Utilities Commission
1150 East William Street
Carson City, Nevada 89701

Public Utilities Commission
101 Convention Center Drive, Suite 250
Las Vegas, Nevada 89109

First Judicial District Court
885 East Musser Street
Carson City, Nevada 89701

Second Judicial District Court
75 Court Street
Reno, Nevada 89501

Eighth Judicial District Court
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

The form and detail of annual reports was solicited from the Regulatory Operations Staff (“Staff”). Comments were also solicited from the public once the proposed regulations were issued—Staff suggested removing one provision on telecommunications from consideration because it will be addressed in another rulemaking; Southwest Gas Corporation noted that some information could only be provided on a company-wide basis instead of state specific.

Staff and Sierra Pacific Power Company and Nevada Power Company spoke in support of the proposed regulations at the workshop and hearing.

A copy of the transcript of the proceedings is available for review at the offices of the PUC, 1150 East William Street, Carson City, Nevada 89701 and 101 Convention Center Drive, Suite 250, Las Vegas, Nevada 89109.

2. The number of persons who:

(a) Attended each hearing: September 27, 2007 - 2

(b) Testified at each hearing: September 27, 2007 - 2

(c) Submitted to the agency written comments: 3

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 from affected businesses in the same manner as they were solicited from the public.

The summary may be obtained as instructed in the response to question #1.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The permanent regulation was adopted on October 10, 2007. It did not include the provision that Staff suggested be removed.

5. The estimated economic effect of the adopted regulation on the businesses which 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 immediate and long-term effects.

(a) Both adverse and beneficial effects:

For both alternative sellers of natural gas and LPG operators, the proposed regulations will make the requirements imposed on these entities more clear; therefore, these entities and the Commission will be able to readily assess the annual reporting and fee requirements imposed upon them. The repeal of the licensing fee regulations for alternative sellers of natural gas will reduce the burden on these companies, since many alternative sellers were confused as to whether they were subject to either the annual report/annual assessment requirements, licensing fee requirements, or both. Additionally, for LPG operators, the Commission now will have accurate financial information before it in order to reconcile the annual assessments that should be charged to the operators.

(b) Both immediate and long-term effects:
See Item # 5(a).

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

There is no additional cost to the agency for enforcement of this regulation.

7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

These regulations do not overlap or duplicate any federal, state, or local regulations.

8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

N/A

9. If the regulation 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.

N/A

10. If the proposed regulation is likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?

The PUC has determined that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination, the PUC adopted the findings of Staff, which conducted a Delphi Method exercise to determine the impacts. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts.