

LCB File No. R062-07

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

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Investigation and rulemaking to adopt, amend)
and/or repeal regulations regarding annual reports)
for regulated entities and licensing fees for) Docket No. 07-05003
alternative sellers of natural gas.)
_____)

**NOTICE OF INTENT TO ACT UPON A REGULATION,
NOTICE OF WORKSHOP AND NOTICE OF HEARING FOR THE
ADOPTION, AMENDMENT AND REPEAL OF REGULATIONS OF THE PUBLIC
UTILITIES COMMISSION OF NEVADA**

On May 23, 2007, the Public Utilities Commission of Nevada (“Commission”) opened an investigation and rulemaking to adopt, amend and/or repeal regulations regarding annual reports for regulated entities and licensing fees for alternative sellers of natural gas. This matter was designated as Docket No. 07-05003.

The Commission will hold a public **WORKSHOP** at **9:00 A.M.** on **TUESDAY, SEPTEMBER 25, 2007**, at the offices of the Commission, Hearing Room A, 1150 East William Street, Carson City, Nevada, 89701 and via videoconference to Hearing Room A, 101 Convention Center Drive, Suite 250, Las Vegas, Nevada, 89109. The purpose of the workshop is to solicit comments from all interested persons on annual reports for regulated entities and licensing fees for alternative sellers of natural gas.

The Commission will hold a public **HEARING** at **9:00 A.M.** on **THURSDAY, SEPTEMBER 27, 2007**, at the offices of the Commission, Hearing Room A, 1150 East William Street, Carson City, Nevada, 89701 and via videoconference to Hearing Room A, 101

Convention Center Drive, Suite 250, Las Vegas, Nevada, 89109. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment, and repeal of regulations that pertain to chapter 704 of the Nevada Administrative Code. If no person who is directly affected by the proposed regulation appears at the hearing to request time to make an oral presentation, the Commission may proceed to act upon any written submissions.

The following information is provided pursuant to the requirements of NRS 233B.0603:

- The proposed regulations pertaining to annual reports are needed to standardize much of the information required from public utilities and certain other entities as set forth in NRS 703.191(1); annual reports will now include specific information about income, revenue and customers. The proposed regulations pertaining to licensing fees are needed to eliminate the duplication of payments to the Commission; all references to licensing fees for alternative sellers of natural gas will be repealed.
- The revised text of the proposed regulations prepared by the Legislative Counsel Bureau pursuant to NRS 233B.063 will be available at the Commission and Legislative Counsel Bureau as LCB File No. R062-07.
- The proposed regulations will have no estimated economic effect on the businesses that they are to regulate or on the public.
- The Commission will use the simplified Delphi method in determining the impact on small businesses, whereby experts review the text of the proposed regulations and determine the likely impact of the proposed regulations on small businesses. These experts share their responses with each other and form a consensus view.
- There will be no additional cost to the Commission for the enforcement of the proposed regulations.

- The proposed regulations do not overlap or duplicate any federal, state, or local regulations.
- The proposed regulations are not required pursuant to federal law.
- The proposed regulations are not more stringent than a federal regulation that regulates the same activity.
- The proposed regulations do not establish any new fee or increase an existing fee.

Persons wishing to comment upon the proposed action of the Commission may appear at the scheduled workshop and hearing or may address their comments, data, views, or arguments in written form to the Commission at 1150 East William Street, Carson City, Nevada, 89701 or 101 Convention Center Drive, Suite 250, Las Vegas, Nevada, 89109 on or before **FRIDAY, SEPTEMBER 21, 2007**.

A copy of this notice and the proposed regulations to be adopted, amended, or repealed will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulations to be adopted, amended, or repealed will be available at the Commission at 1150 East William Street, Carson City, Nevada, 89701 or 101 Convention Center Drive, Suite 250, Las Vegas, Nevada, 89109, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations are also available in the State of Nevada Register of Administrative Regulations (LCB File No. R062-07), which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulations will also be mailed to members of the public upon request. A reasonable fee may be charged for

copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

Upon adoption of any regulation, the Commission, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption or incorporate therein its reason for overruling the consideration urged against its adoption.

This notice has been posted at the county courthouses located in Reno, Carson City, and Las Vegas.

By the Commission,

CRYSTAL JACKSON, Commission Secretary

Dated: Carson City, Nevada

(SEAL)

LCB File No. R062-07

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

Docket No. 07-05003

**Annual Reports for Regulated Entities and
Licensing Fees for Alternative Sellers of Natural Gas**

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

1. Public utilities and certain other entities as set forth in NRS 703.191(1) shall file with the Commission an annual report in accordance with NRS 703.191.

2. The annual report will include, at a minimum, the following:

- (a) A statement of income,*
- (b) A balance sheet,*
- (c) A statement of intrastate revenue, and*
- (d) The number of customers served.*

The Commission may request additional information from the public utilities and other entities described in NRS 703.191(1) as it deems necessary to be included in the annual report.

3. Pursuant to NRS 703.191, annual reports are due to the Commission not later than May 15 of the year following the year for which the report is submitted.

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

NAC 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 2*.

(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 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:

NAC 704.534 An annual report must contain *the following in addition to the information required pursuant to Section 2:*

1. The name, principal business address, 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 704.7483 is hereby amended to read as follows:

NAC 704.7483 Every provider of telecommunication service shall submit, on May 15 of each year, ~~[a report which]~~ *an annual report pursuant to Section 2 and*

~~[1. Includes a statement of income, a balance sheet,]~~ a statement of cash flow of the provider relating to the total operations of the provider~~[, and a statement of the intrastate revenues of the provider]~~. The *annual* report must ~~[also]~~ identify the location where any working papers supporting the report may be reviewed.

~~[2. Identifies]~~ *The annual report must also identify* the exchanges, routes, or other geographic areas of this State where it is providing, or expects to provide, services and the types of the services being provided. The report must include the number and type of customers being served, by service and geographic area.

Sec. 5. NAC 704.79551 is hereby repealed.

Sec. 6. NAC 704.79553 is hereby repealed.

Sec. 7. NAC 704.79555 is hereby repealed.

Sec. 8. NAC 704.79557 is hereby repealed.

Sec. 9. NAC 704.79559 is hereby repealed.

TEXT OF REPEALED SECTIONS

NAC 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.

NAC 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.

NAC 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.

NAC 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.

NAC 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.