

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

**LCB File No. R101-98**

Effective September 2, 1998

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

AUTHORITY: §§ 2-12, NRS 703.025 and 704.997.

**Section 1.** Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 12, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Effective competition” means, with respect to a particular service, a market structure and a process under which an individual seller is not able to influence significantly the price of the service as a result of:*

- 1. The number of sellers of the service;*
- 2. The size of each seller’s share of the market;*
- 3. The ability of the sellers to enter or exit the market; and*
- 4. The price and availability of comparable substitutes for the service.*

**Sec. 4.** *“Person” means a natural person, corporation, partnership, public utility, government, governmental agency or political subdivision of a government.*

**Sec. 5.** *“Potentially competitive service” has the meaning ascribed to it in NRS 704.996.*

*Sec. 6. Sections 2 to 12, inclusive, of this regulation do not apply to services provided to generating, industrial and large commercial customers pursuant to NRS 704.075.*

*Sec. 7. 1. A person may request that the commission classify a natural gas service as a potentially competitive service.*

*2. A request made pursuant to subsection 1 must be submitted in writing to the commission and must:*

*(a) Identify and fully describe the natural gas service to be classified as a potentially competitive service, including, without limitation, a description of:*

*(1) The technical and common names of the service;*

*(2) The facilities, personnel and any other resources that are being used or will be used to provide the service;*

*(3) Any other components of a natural gas service that are necessary to provide the service to be classified as a potentially competitive service;*

*(4) The geographic market area for which the classification is being sought;*

*(5) The nature and extent of the market in which the service is being provided or will be provided, including, without limitation:*

*(I) The classes of customers to whom the service will be provided; and*

*(II) The source of revenues for the service;*

*(b) Set forth any fact that is favorable to classifying the service as a potentially competitive service, including, without limitation, any fact that demonstrates that provision of the service by alternative sellers:*

*(1) Will not unduly harm a class of customers;*

*(2) Will decrease the cost of providing the service to customers in this state or increase the quality or innovation of the service to customers in this state;*

*(3) Is a service for which effective competition in the market is likely to develop;*

*(4) Will advance the competitive position of this state relative to surrounding states; and*

*(5) Will not otherwise jeopardize the safety and reliability of the natural gas service in this state; and*

*(c) Contain an acknowledgment that a copy of the request has been served upon any existing provider of the service to be classified as a potentially competitive service.*

**Sec. 8.** *The commission will limit the classification of a natural gas service as a potentially competitive service to the boundaries of the certificated service area of a single natural gas utility.*

**Sec. 9.** *If the commission receives a request to classify a natural gas service as a potentially competitive service and the request satisfies the requirements set forth in section 7 of this regulation, the commission will classify the service as a potentially competitive service.*

**Sec. 10.** *A natural gas service that is not classified as a potentially competitive, competitive or discretionary service, or that has been determined by statute or the commission to be unsuitable for purchase by customers from alternative sellers, is a noncompetitive service.*

**Sec. 11.** *Once the commission has classified a natural gas service as potentially competitive, the commission will establish an alternative plan of regulation for the service.*

**Sec. 12.** *The commission will:*

*1. Monitor the market for a natural gas service that it has classified as potentially competitive to determine whether effective competition is occurring in the market;*

*2. Classify a natural gas service as competitive upon determining that effective competition is occurring in the market for a natural gas service which the commission has previously classified as potentially competitive; and*

*3. Remove any provisions contained in an alternative plan of regulation established pursuant to section 11 of this regulation that the commission finds are no longer necessary upon determining that effective competition is occurring in the market for a natural gas service.*