

ADOPTED REGULATION OF THE PUBLIC UTILITIES

COMMISSION OF NEVADA

LCB File No. R079-99

Effective November 16, 1999

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

AUTHORITY: §§1-13, 15-18, NRS 704.095; §14, NRS 703.330.

Section 1. NAC 703.200 is hereby amended to read as follows:

703.200 In the case of an application by a water or sewer company that is no longer exempt under NRS 704.030, in addition to the information required by NAC 703.175 and 703.190 or 703.195, an application must include:

1. A balance sheet as of the date the utility reached the statutory jurisdictional requirements of gross revenues and number of customers of NRS 704.030.
2. A schedule of accounts showing the original cost of any plant in service as of the date of the balance sheet or an estimate of *the cost of any* plant proposed by a new water company ~~H~~, *or both a schedule of accounts and an estimate of costs.*
3. A depreciation schedule by account for each plant showing the method and rate of depreciation, and accumulated depreciation as of the date of the balance sheet.
4. An operating statement for the most recent 12-month period ending on the date of the balance sheet, showing operating revenues and expenses.
5. A statement showing the number of customers being served as of the date of the balance sheet.

6. A statement of the rates for service charged by the utility from the date of the utility's inception to and including the date of filing of the application for a certificate. Rates for service may not be increased without an order of the commission ~~[for those]~~ *that approves the new* rates after the utility has reached the jurisdictional requirements of gross revenues and number of customers set forth in NRS 704.030. An application pursuant to the provisions established for pleadings and motions and the requirements for public utilities requesting adjustments in rates must be filed if the utility proposes to increase its existing rates or charges. No application may be filed pursuant to NRS 704.100 until the utility has been issued a certificate of public convenience and necessity by the commission.

Sec. 2. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 3, 4 and 5 of this regulation.

Sec. 3. 1. *Any interested person may file a petition with the commission to request that the commission consider taking action to have a utility whose rates are subject to the jurisdiction of the commission as set forth in NRS 704.095 placed in receivership. A petition filed with the commission pursuant to this subsection must be served on the utility, the regulatory operations staff of the commission, the consumer's advocate and the bureau of health protection services of the health division of the department of human resources and must be accompanied by proof of service. The commission may, on its own motion, initiate an investigation into whether such a utility should be placed in receivership.*

2. The commission will issue a public notice of a petition filed pursuant to subsection 1. The utility that is the subject of the notice of petition may file an answer to the petition within the time set forth in the notice.

3. On its own motion, upon the request of the utility or upon the request of any interested person who has filed comments pursuant to a notice of petition, the commission will hold a hearing to determine whether the commission should take action to have the utility placed in receivership.

4. In considering whether to take action to have the utility placed in receivership, the commission may consider:

(a) Whether the utility has complied with a written plan for the replacement or expansion of the plant of the utility that has been approved by the commission;

(b) Whether the utility is providing reasonably adequate service;

(c) Whether the operation of the utility is affecting the public health in a detrimental manner;

(d) Whether the utility can meet its financial obligations; or

(e) Any other factor that may become apparent from a petition, answers filed thereto, or evidence gathered at the hearing.

Sec. 4. *If a utility files an application pursuant to NAC 704.580:*

1. The utility shall make available at its place of business a complete copy of the application that is readily accessible and can be conveniently inspected by its customers.

2. The utility shall, within 10 days after the date on which the application is filed, post a notice at its place of business which states that the application has been filed with the commission and that a copy of the application is available for inspection by customers on the premises of the utility.

3. The utility shall, within 30 days after the date on which the application is filed, notify its customers of its intention to seek a change in its rates.

4. The utility shall, within 45 days after the date on which the application is filed, submit an affidavit to the commission which demonstrates that the utility has complied with the requirements set forth in subsections 1, 2 and 3.

5. The utility shall, either by inclusion in the regular bill of charges or in a separate mailing, notify its customers of the hearing to be held to receive comments from customers and of any evidentiary hearing to be held. The utility shall provide the notice of the hearing in such a manner as to ensure that the customers are notified of the hearing not less than 10 days before the date of the hearing. The notice must specify:

- (a) The date, time and location of the consumer hearing and evidentiary hearing, if any;*
- (b) The percentage of change in revenues requested in the application; and*
- (c) The current and proposed rates.*

Sec. 5. 1. A utility whose rates are subject to the jurisdiction of the commission as set forth in NRS 704.095, and whose gross annual revenues for the past 12 months did not exceed \$100,000, may elect to change its rates and charges pursuant to this section or NAC 704.580.

2. The utility may request the assistance of the staff in changing the rates and charges of the utility by mailing a letter to the staff requesting that the staff conduct an audit of the books of the utility and a review of the utility's expenditures and operations to determine the appropriate levels of rates and charges. A request for the assistance of the staff must be made within 45 days after the last day of the test year selected by the utility to be audited.

3. Upon receipt of a request for assistance from the utility, the staff shall initiate an audit of the books of the utility and a review of its expenditures and operations.

4. If, following the audit and a determination of recommended rates and charges, the staff determines that the rates and charges of the utility need to be changed, the staff shall

prepare, on behalf of the utility, an application which requests that such recommended rates and charges be put into effect. The staff shall provide a copy of the application to the utility.

5. The staff, with the cooperation of the utility, shall meet informally with the customers of the utility in the service territory of the utility to receive comments from the customers on the quality of service that the customers are receiving and the rates and charges that the staff is recommending. The utility shall mail a notice of the meeting that has been prepared by the staff to all customers in such a manner as to ensure that the customers are notified of the meeting not less than 10 days before the date of the meeting.

6. If the utility elects to proceed with the application as prepared by the staff, the utility shall file the application with the commission within 180 days after the last day of the test year selected. If the utility elects not to proceed with the application in the form suggested by the staff, the utility may not file an application pursuant to NAC 704.580 or make another request for the assistance of the staff for at least 1 year after the date of the previous request for assistance.

7. The commission will issue a public notice of an application that has been prepared by the staff and filed by the utility pursuant to subsection 6. If no notice of intent to intervene has been filed by the bureau of consumer protection of the office of the attorney general and no petition for leave to intervene has been filed by any interested and affected person by the deadline set by the commission, the staff shall present the application at a meeting of the commission.

8. If a notice of intent to intervene is filed or a petition for leave to intervene is granted, the commission shall set the matter for an evidentiary hearing. An evidentiary hearing held pursuant to this subsection is subject to the provisions of subsection 3 of NAC 704.620.

Sec. 6. NAC 704.570 is hereby amended to read as follows:

704.570 As used in NAC 704.570 to 704.630, inclusive, *and sections 3, 4 and 5 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 704.571 to 704.574, inclusive, have the meanings ascribed to them in those sections.

Sec. 7. NAC 704.574 is hereby amended to read as follows:

704.574 “Test year” means the 12-month period ending no later than 6 months before the filing of an application pursuant to NAC 704.580 ~~[-]~~ *or no later than 45 days before the submission of a request for the assistance of the staff pursuant to section 5 of this regulation.*

Sec. 8. NAC 704.580 is hereby amended to read as follows:

704.580 1. ~~[-Whenever]~~ *Except as otherwise provided in section 5 of this regulation, whenever* a utility desires to file a change in its tariff which will increase its annual revenues, the utility must submit a completed application, setting forth ~~[-its]~~ *the* proposed changes in its tariff and the reasons for the changes. The application must contain recorded results of revenues, expenses, investments, and costs of capital for the test year and annualization adjustments as described in written instructions provided by the staff. ~~[- Within 30 days after filing the application with the commission, the utility must]~~ *The utility shall* notify its customers of its intent to seek increased rates ~~[-]~~ *in accordance with section 4 of this regulation.*

2. The commission will give public notice of the application in accordance with its regulations and procedures. The commission will not consider the request for a rate increase as filed until the submittal is complete and ready for the staff’s analysis.

3. An original and 10 legible copies of each application must be filed with the commission.

Sec. 9. NAC 704.595 is hereby amended to read as follows:

704.595 1. A utility may submit an application requesting increases in its scheduled rates to offset increased costs of fuel or power used for pumping in its water or sewer operations, or both ~~[. The utility shall comply with subsection 7 of NRS 704.110 and]~~, *except that a utility may* not file such an application more often than once every 30 days.

2. If such an application is for increases for both water and sewer operations, the information concerning those operations must be separately stated. Such an application must include:

(a) Form A, Company Information . ~~[.*]~~

(b) Form B, Tariff Rate Schedule . ~~[.*]~~

(c) Worksheets showing calculations and other information on the increased costs, incurred in the latest 12-month period, of fuel or power purchased for pumping for its water or sewer operations.

(d) Legible copies of the fuel or power bills for each well or pumping station, showing the amounts of fuel or the kilowatt-hours used and the amounts paid. These bills must cover the latest 12-month period and support the data furnished in the worksheets required by paragraph (c).

(e) A statement for the water or sewer operation, or both, showing the ~~[increases]~~ *increase* in revenue which ~~[are]~~ *is* needed to offset the increased cost of fuel or power purchased for pumping.

(f) Form ~~[H, Customer Notice.*]~~ *G, Customer Notice.*

FLUSH The requested increases in rates must reflect only the increased costs of fuel or power purchased for pumping which will be incurred by the utility. ~~[*See adopting agency for form.]~~ *The forms required by this section are available from the staff.*

Sec. 10. NAC 704.600 is hereby amended to read as follows:

- 704.600 1. When requested by a utility, the commission will consider a rate surcharge to finance large additions or improvements to a plant.
2. In determining whether a surcharge should be authorized, the commission will consider:
- (a) The necessity of the additions or improvements;
 - (b) The size, in terms of capital requirements, of the additions or improvements; and
 - (c) The availability of other methods of financing.
3. The commission may make such amendments, restrictions, or modifications in approving the surcharge as the public interest may require. *For the purposes of ratemaking, all facilities of the utility that are funded by a surcharge will be considered to be a contribution in aid of construction.* A rate surcharge will not be authorized unless the utility ~~{agrees, on a form provided by the commission,}~~ *acknowledges in a written statement to the commission* that the value of the additions or improvements to a facility will not be considered in determining the fair market value of the utility's entire facility.
4. Any money collected by a public utility subject to the provisions of NAC 704.570 to 704.630, inclusive, *and sections 3, 4 and 5 of this regulation,* pursuant to a rate surcharge authorized by the commission must be deposited in an account separate from the utility's other ~~[funds in a state or federally chartered bank or savings and loan institution located in this state. The utility shall instruct the bank or savings and loan institution to submit to the staff a monthly statement of all deposits and withdrawals made during the month.]~~ *money. The account must be established as a trust account in a recognized bank, brokerage house, escrow or title company. The trust document must be reviewed and approved by the commission before the trust document may be executed. The money held in trust must be deposited in an interest-bearing*

account and must be federally insured. A copy of all statements identifying all deposits and withdrawals must be provided to the staff upon receipt of the statements by the utility.

5. The procedure for withdrawals from the account must be authorized by the commission.

~~[The commission will authorize withdrawals from the account to be made by the licensed, professional engineer in charge of the construction financed by the surcharge. If authorized by the commission, the engineer may withdraw sufficient money to pay for completed work upon presentation to the bank or savings and loan institution of a statement containing his signature that the work has been completed according to his plans and specifications. A copy of the statement must be submitted to the staff.]~~

Sec. 11. NAC 704.605 is hereby amended to read as follows:

704.605 An applicant for a rate surcharge must submit a written plan for the replacement or expansion of the plant and its financing to the commission for its consideration. The plan must be in sufficient detail to enable the commission to determine the need and necessity for the proposed additions or improvements and must include, but is not limited to, the following information and documents:

1. A brief description of the *proposed* additions or improvements, together with the estimated cost and the source of that estimate, and an estimate of the time needed for construction and the *estimated* date of commencement and date of completion of the construction;

2. A list of the *proposed* projects in order of priority, which contains the reasons for the priorities;

3. The necessity of the proposed additions or improvements;

4. The size, in terms of capital requirements, of the additions or improvements;

5. Any letter of credit, loan commitment or other evidence that ~~[funds are or are]~~ *funding is or is* not available to the applicant; and

6. The availability of other methods of financing.

Sec. 12. NAC 704.610 is hereby amended to read as follows:

704.610 1. In applying for a general rate increase, a utility must complete:

(a) Form A, Company Information (pages 1-2);

(b) Form B, Tariff Rate Schedule;

(c) Form C, ~~[Revenues at Current and Proposed Rates;]~~ *Income Statement;*

(d) Form D, ~~[Income Statement;]~~ *Rate Base;*

(e) Form E, ~~[Rate Base, including calculations and schedule of capital cost (pages 1-2);]~~ *Cost of Capital;*

(f) Form F, ~~[Schedule of Increases in Expenses and Plant Investment;]~~ *Statement of Services;*

(g) Form G, ~~[Statement of Services; and]~~ *Customer Notice;*

(h) Form H, ~~[Customer Notice.]~~ *Verification of Application Accuracy; and*

(i) Form I, Affidavit of Service and Posting.

FLUSH The forms are available from the commission.

2. Until the utility has completed ~~[and certified]~~ the forms ~~[,]~~ *and verified their accuracy,* its application will not be considered by the commission.

Sec. 13. NAC 704.615 is hereby amended to read as follows:

704.615 1. Upon receipt of an application for rate changes filed pursuant to NAC ~~[704.570 to 704.630, inclusive.]~~ *704.580,* the commission's division of consumer ~~[affairs]~~ *complaint resolution* will prepare a report on all service complaints received by the division subsequent to the utility's last request for a rate increase.

2. The staff will review the application to determine whether the requested rate changes are reasonable. The staff may make ~~[a field investigation]~~ *field investigations* in conducting its review. If the staff determines that the utility's capital structure, expenses or rate base do not appear reasonable, the staff may prepare a revised summary of earnings based upon its finding of an appropriate capital structure, reasonable expenses, revenues, and rate base.

3. ~~[The staff's recommended capital structure, revenues, expenses and rate base and the report on consumer relations will be forwarded to the utility for its review. No later than 60 days after the completed application is filed.]~~ *After the staff completes its investigation, the staff will schedule* an informal conference ~~[may be scheduled]~~ in the commission's offices ~~[between]~~ *with* the utility, the consumer's advocate ~~[,]~~ and the staff ~~[following the]~~ *to* review *the results* of the staff's ~~[summary]~~ *investigation* and *the* report *from the division of consumer complaint resolution, and* to attempt to resolve any differences ~~[between the staff, the consumer's advocate, and the utility.]~~ *among the parties.*

4. Following the informal conference, the staff will ~~[place the matter before the commission so that the commission may consider the matter within 90 days after the filing of the completed application. In its consideration of the matter the commission will:~~

~~—(a) Accept or reject in its entirety any written stipulation presented by the parties.~~

~~—(b) Allow the filing of written comments regarding any question of policy raised by the parties if the parties agree that no public hearing is necessary to determine the question of policy.~~

~~—(c) Convene a session to present any stipulation and receive comments on the quality of service from the utility's customers.~~

~~—(d) Order the matter set for hearing.] :~~

(a) Request that an evidentiary hearing be scheduled; or

(b) Present a stipulation for the consideration of the commission. Before it will consider the stipulation, the commission will determine if it is necessary to hold a hearing to receive comments from customers of the utility with respect to the quality of service and other matters of interest to customers.

Sec. 14. NAC 704.620 is hereby amended to read as follows:

704.620 1. The commission may set the matter for hearing if, in its judgment, the public convenience and necessity require a hearing.

2. The record of a public hearing convened solely ~~[for the purpose of receiving]~~ *to receive* comments from customers may be reported by the commission's sound recording equipment as provided in NRS 703.330 under the direction of the presiding commissioner. The commission secretary will file and maintain the tapes.

3. *The utility shall provide a stenographer for reporting and transcribing a complete record of the evidentiary hearing. The cost of recording and transcribing must be paid by the utility. At least 5 days before the date on which the evidentiary hearing is scheduled, the utility shall notify the commission that the utility has made arrangements for the reporting and transcription of the complete record of the evidentiary hearing. The utility shall provide the commission with the original and two copies of transcripts no later than 10 days after the conclusion of the hearing.*

4. If the utility is required to present and justify its requested changes in rates , it shall ~~[submit prepared testimony to the commission and all parties of record no later than 21 days after the commission has ordered the matter set for hearing. The utility may include within the prepared testimony]~~ *be prepared to explain the information included in its application and may supplement its application with* a statement of increased revenues, any increased investment in

facilities, increased depreciation expenses, any other operating expenses approved by the commission, and any changes in the costs of securities which are known, measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of the test year.

~~[4. The hearing will be scheduled at least 21 days after the commission receives the prepared testimony. The transcript of reported testimony at the hearing must be filed with the commission no later than 10 days after the conclusion of the hearing.]~~ *The supplemental information must be provided no sooner than 90 calendar days after the date on which the utility files its application.*

5. The commission will issue its opinion and order in the matter no later than 180 days after the completed application has been filed.

Sec. 15. NAC 704.627 is hereby amended to read as follows:

704.627 1. ~~[Before December 31, 1985, the]~~ *The* staff will conduct ~~[an]~~ *a periodic* inspection of the facilities, books and records of each public utility subject to the provisions of NAC 704.570 to 704.630, inclusive ~~[. Thereafter, the staff will conduct the inspection of each utility on an annual basis.]~~, *and sections 3, 4 and 5 of this regulation. The frequency of the inspections will be based on the growth in customer base, customer satisfaction or any other change in the utility that would provide a reason for an inspection, or on the request of the commission.*

2. The staff will notify the utility and the bureau of consumer protection ~~[of the inspection at least 45 days before the date scheduled for the inspection. Within 10]~~ *that an inspection will be made in accordance with this section. Within 30* days after the utility receives notice of the inspection, the utility shall provide the commission with adhesive mailing labels individually

addressed to each customer. The staff, through the division of consumer complaint resolution, will mail a survey to each customer of the utility which is scheduled for inspection.

~~[2.—Within 15 days after]~~

3. *After completing* the inspection, the staff will submit *a written report of its findings and recommendations* to the *commission, the* utility and the bureau of consumer protection . ~~[a written report of its findings and recommendations.]~~ If the conclusion of the report is that the utility is not in compliance with the standards of service set forth in NAC 704.628, the utility shall submit to the commission, within ~~[15]~~ 30 days after its receipt of the report, its written response to the staff's findings and recommendations. The utility may contest the findings and recommendations and request a hearing before the commission. If no hearing is requested, the utility's response must indicate how the utility intends to comply with the recommendations set forth in the staff's report. If expenditures for construction are required for compliance, the utility shall include a timetable for the construction, an estimate of its cost, and an estimate of the effect, if any, of the expenditure on the utility's rates. Upon its receipt of the utility's response, the staff will place the matter before the commission. Whether or not a hearing is requested, the commission may schedule a session to receive comments from the utility's customers on the quality of its service. The commission will consider the survey of customers, the staff's report, the utility's response, and the record of any hearing held before it approves ~~[, disapproves or amends]~~ *or disapproves* the findings and recommendations of the staff ~~[.]~~ *or makes any findings and recommendations of its own.*

Sec. 16. NAC 704.628 is hereby amended to read as follows:

704.628 ~~[1. Except as otherwise provided in subsection 2, each]~~ *Each* public utility subject to the provisions of NAC 704.570 to 704.630, inclusive, *and sections 3, 4 and 5 of this regulation*, shall comply with the following standards of service:

~~[(a) Water]~~

1. For water resources, water rights must be sufficient to supply adequate amounts of water to *satisfy* existing ~~[units.~~

~~—(b) The minimum single well production or source of supply, proven by drawdown versus time plots or hydrologic data, must be sufficient to produce water flow in gallons per minute which is in excess of the annual average daily demand divided by 1,440 minutes.~~

~~—(c) The minimum combined well or source of production, proven by drawdown versus time plots or hydrologic data, must be sufficient to produce water flow in gallons per minute which is in excess of the maximum daily demand divided by 1,440 minutes.~~

~~—(d) The minimum storage capacity must be equal to the annual average daily demand plus any storage necessary to comply with NAC 704.629.~~

~~—(e) Water] commitments.~~

2. For water production, the utility must be capable of producing, from surface or groundwater sources or by obtaining water from another utility, sufficient quantities of water to meet the historic maximum daily demand of the system.

3. For water distribution, the distribution system of the utility must meet each of the following requirements:

(a) Service connections from the utility must not exceed the hydraulic capabilities of the system.

(b) The network of pipes of the system must be capable of delivering maximum day demand concurrently with required fire flows. Maximum day demand must be determined from historical records or, in the absence of historical data, calculated by using a factor of three times the average day demand. Requirements for fire flow and duration of the fire flow must be established by the county or local agency having jurisdiction over fire protection. In the absence of a local agency exercising jurisdiction over fire protection, the requirements for fire flow must be established utilizing the most current edition of the Uniform Fire Code, which is hereby adopted by reference. A copy of the Uniform Fire Code may be obtained, at a price of \$55.65, from the International Conference of Building Officials, 5360 Workman Mill Road, Whittier, California 90601, telephone 1-(800)-423-6587, extension 276.

(c) The distribution system, in conjunction with production, storage and pressure control facilities, must be capable of maintaining, during periods of maximum day demand, a minimum residual pressure of 40 pounds per square inch throughout the distribution system. Static pressure must not exceed 100 pounds per square inch at the lowest elevation in any pressure zone. During periods of fire flow, the residual pressure at any point in the distribution system must not fall below 20 pounds per square inch.

(d) To deliver the quantity of water necessary to comply with the requirements of public fire protection, the utility shall provide and maintain an adequate quantity of hydrants at the prescribed spacing as established by the county or local agency having jurisdiction over fire protection. In the absence of any local agency having jurisdiction over fire protection, the spacing of fire hydrants must be determined by using the current edition of the Uniform Fire Code.

(e) The utility shall not allow the amount of water lost from its distribution system because of leakage to exceed 10 percent of the amount of water required for the system.

(f) All water sources must have a master meter.

4. For storage, the utility must provide water under both of the following circumstances:

(a) The utility must have the ability to sustain a mechanical failure. When the single most critical pump is out of service, the pumping facilities and above-ground storage of the utility must be able to maintain the average daily flow rate plus the maximum required fire flow rate for the required duration.

(b) The utility must have the ability to sustain a power outage. To provide system reliability during a power outage, the utility shall comply with at least one of the following:

(1) In a power outage, pumping facilities with an alternative power source in conjunction with above-ground storage must be capable of delivering the required fire flow demand for the required duration plus maximum day demand for 1 day.

(2) Above-ground storage must be capable of providing the required fire flow for the required duration plus the average day demand for 1 day.

FLUSH *As used in this paragraph, “above-ground storage” means the amount of water that is stored above an elevation which will maintain a hydraulic gradient above 20 pounds per square inch at any point within the distribution system during maximum demand.*

*5. For water quality, the quality must meet all existing **state and** federal standards for purity.*

~~*[(f) Adequately]*~~

*6. For administration and management, **adequately** trained personnel must be available to operate the utility under all reasonable circumstances.*

~~[(g) Connections to the utility must not exceed the proven capabilities of the system.~~

~~—(h) Books and records maintained by the utility must comply with the systems of accounts established for class C water and sewer utilities prepared by the National Association of Regulatory Utility Commissioners, which are hereby adopted by reference. A copy of the publication containing the system established for class C water utilities *and for sewer utilities* may be obtained, for the price of ~~[\$5,]~~ *\$15 for the system of accounts for Class C water utilities and \$16 for the system of accounts for sewer companies*, from the National Association of Regulatory Utility Commissioners, ~~[1102 Interstate Commerce Commission Building, Constitution Avenue and 12th Street N.W.,]~~ P.O. Box 684, Washington, D.C. 20044. ~~[A copy of the publication containing the system established for class C sewer utilities may be obtained at the same address for the price of \$5.50.~~~~

~~—(i) The utility shall comply with all its filed tariff provisions.~~

~~—2. A utility which is not able to comply with the standards set forth in paragraphs (b), (c), and (d) of subsection 1 shall at least provide a system for pumping, storage, and distribution which is capable of supplying the amount of water required:~~

~~—(a) By NAC 704.629; or~~

~~—(b) To satisfy a water flow in gallons per minute which is calculated by determining the highest hourly rate of consumption for the previous year according to the company's records and dividing by 60, whichever is greater.~~

FLUSH

~~—3. Written approval of applications for new subdivisions or other land development projects filed with the commission pursuant to NRS 704.679 will not be granted unless the application contains the following:~~

~~—(a) A statement indicating the ownership and form of the utility that will provide water and sewer service and how capital investment in the physical plant was or will be funded.~~

~~—(b) Evidence that the water and sewer utility will meet the standards of service set forth in subsection 1 and NAC 704.629 when it goes into operation.]~~ *Each utility shall develop and carry out a written operation and maintenance program, a cross-connection control program and an emergency plan containing procedures unique to each system. Each utility shall have on file, at an office maintained in the State of Nevada, updated drawings, maps or other permanent records to aid in the operation of the water system. The utility shall make and maintain a record of any repairs made to a distribution pipe that sets forth the location of the leak, the date the leak was repaired, an assessment of the cause of the leak and a description of the manner used to repair the pipe.*

Sec. 17. NAC 704.997 is hereby amended to read as follows:

704.997 A utility shall own, lease, or have access to sufficient essential real property and goods to comply with the requirements of NAC 704.628 . ~~[and 704.629.]~~ The utility shall protect and maintain the essential real property and goods in a manner to ensure continued performance.

Sec. 18. NAC 704.629 is hereby repealed.

TEXT OF REPEALED SECTION

704.629 Required supply of water.

1. Except as otherwise provided in subsection 2 of NAC 704.628, each system of a public utility subject to the provisions of NAC 704.570 to 704.630, inclusive, which supplies water to an area where a single-family dwelling is located must, for the purposes of fire fighting, be capable of supplying, for at least 2 hours at a minimum residual pressure of 20 pounds per square inch, the following amount of water:

If the distance between the dwelling and the next closest building is:	Gallons per minute
More than 100 feet	500
100 feet or fewer but more than 30 feet	750
30 feet or fewer but more than 10 feet	1,000
10 feet or less	1,500

If more than half of the dwellings in the service area are covered with roofs composed of wooden shingles, the amount of water listed above must be increased by 500 gallons per minute.

2. Each system of a public utility subject to the provisions of NAC 704.570 to 704.630, inclusive, which supplies water to an area where other than single-family dwellings are located must, for the purposes of fire fighting, be capable of supplying such amount of water and under such conditions as are recommended in the Fire Suppression Rating Schedule published by the Insurance Services Office, which is hereby adopted by reference. A copy of the publication containing the schedule may be obtained, for the price of \$10, from the Insurance Services Office, 160 Water Street, New York, New York 10038.

3. The utility shall not allow the amount of water lost from its distributive system because of leakage to exceed 10 percent of the water required for the system. The utility shall make and maintain a record of any repairs made to a distributive pipe which sets forth the

location of the leak, the date it was repaired, an assessment of the cause of the leak, and a description of the manner used to repair the pipe.

4. The utility shall make and maintain at each of its offices a map of the system of pipes which distributes the water. The map must show the location of each pipe and include a notation of the date of each pipe's installation and the materials from which each pipe was made. The utility shall update the map at least annually.