

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

**LCB File No. R084-10**

Docket No. 09-06017

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

AUTHORITY: NRS 703.025, 703.154, 704.190, and 704.210

A REGULATION relating to reporting service outages and accidents.

**Section 1.** Chapter 703 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

**Sec. 2.** *“Gas operator” means those entities that operate or maintain storage facilities and intrastate pipelines in this State which are used to store and transport natural gas, liquefied petroleum gas, in its liquid or vapor form, or any mixture thereof, as described in NRS 703.154.*

**Sec. 3.** *A gas operator shall comply with the same reporting requirements as a gas utility for accidents found in NAC 704.235 to 704.265.*

**Sec. 4.** Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 5 to 12 of this regulation.

**Sec. 5.** *“Estimated property damage” means all costs related to an accident, including but not limited to:*

- 1. Labor;*
- 2. Materials;*
- 3. Transportation;*
- 4. Paving repair; and*

5. *Lost commodity.*

Sec. 6. *“Pipeline” has the meaning ascribed to it in 49 CFR 191.3, as adopted by NAC 704.460.*

Sec. 7. *“Significant service outage” means:*

1. *For an electric utility, an outage of 3,000 customer hours or greater, or any outage lasting more than ten hours.*

2. *For a telecommunications utility, any outage lasting more than 30 minutes that:*

a. *Potentially affects at least 30,000 user minutes of telecommunication service in Nevada as defined by 47 C.F.R. § 4.7(e);*

b. *Affects at least 500 DS3 minutes in Nevada as defined by 47 C.F.R. § 4.7(d);*

c. *Potentially affects any special offices and facilities in Nevada as defined by 47 C.F.R. § 4.5(a)-(d); or*

d. *Potentially affects a 911 special facility in Nevada as defined by 47 C.F.R. § 4.5(e).*

3. *For a water utility, any unscheduled outage resulting in water pressure of less than five pounds per square inch in any water distribution main that affects service to fifty or more customers or lasting more than six hours.*

4. *For a gas utility, any unscheduled outage that is not:*

a. *The result of a malfunction of a customer appliance; or*

b. *Caused by an event that is determined not to be first initiated in, or caused by, the pipeline facility.*

Sec. 8. 1. *At the earliest practicable moment, but not later than four hours following discovery of a significant service outage, a utility shall submit an initial report of the outage to*

*the Regulatory Operations Staff of the Commission via telephone, electronic mail notification, or both.*

**Sec. 9. 1.** *The initial report required in Section 8 must include the following information to the extent that the information is available to the representative of the utility making the initial report:*

*a. The name and principal business address of the utility.*

*b. The name and position of the representative of the utility making the initial report.*

*c. The geographic area affected by the outage.*

*d. The number of customers affected.*

*e. The date, time, and duration of the outage.*

*f. The date and time of discovery of the outage.*

*g. The cause of the outage.*

**2.** *The utility may request confidential treatment of the initial report. At a minimum, though, the utility shall provide an approximate geographic area and estimated number of customers affected by the outage for public dissemination.*

**Sec. 10. 1.** *A utility shall submit a final report of each significant service outage to the Commission within 30 calendar days after the initial report required by Section 8.*

**2.** *A utility shall use the Commission-approved form entitled “Public Utility Significant Service Outage Report” for the final report.*

**3.** *If any of the information required is not readily available to the utility at the time the final report is submitted to the Commission, the utility shall briefly explain its reasons and shall submit the additional information to the Commission as soon as it becomes available to the utility.*

*4. If the information required has not been submitted to the Commission within 3 months of the date of the final report, the utility shall submit a status report in writing to the Commission setting forth the actions taken or contemplated by the utility to obtain the information and the estimated date of submission of the information. Status reports must be submitted by the utility at 3-month intervals until all of the information has been submitted to the Commission.*

*5. If the utility determines after further investigation that the outage did not meet the criteria in Section 7, the utility shall submit a rescission of the notification to the Regulatory Operations Staff of the Commission within 30 calendar days of submitting the initial report, explaining the basis for the rescission.*

**Sec. 11.** *1. An electric utility shall submit a quarterly report to the Regulatory Operations Staff of the Commission within 30 days of the end of every calendar year quarter for all service outages on its system in that calendar year quarter.*

*2. The quarterly report shall include the following information for each outage:*

- a. The geographic area of the outage;*
- b. The number of customers affected by the outage;*
- c. The date, time, and duration of the outage; and*
- d. The cause of the service outage.*

**Sec. 12.** *1. A water utility shall provide notification to the Regulatory Operations Staff of the Commission via telephone, electronic mail, or both, at least 24 hours before any scheduled maintenance that will:*

- a. Last more than six hours; or*

*b. Result in water pressure of less than five pounds per square inch in any water distribution main and affect service to 50 or more customers.*

*2. The notification shall include:*

*a. When service will be interrupted;*

*b. When service will be restored; and*

*c. The number of customers to be affected.*

**Sec. 13.** NAC 704.230 is hereby amended to read as follows:

As used in NAC 704.235 to 704.265, inclusive, unless the context otherwise requires:

1. “Accident” means any occurrence or condition directly or indirectly arising from or connected with the maintenance or operation of the premises, plant, instrumentality, or facilities of a public utility which has resulted in:

(a) The loss of human life;

(b) Injury to a person requiring *in-patient* hospitalization; or

(c) Estimated property damage to facilities or to the property of others, or both, in the amount of ~~[\$5,000]~~ *50,000* or more.

2. ~~["Utility" or "public utility" means those entities described in NRS 704.020.]~~

*For a gas utility, in addition to the provisions of subsection 1, accident also means:*

*a. An evacuation due to a release of gas from a pipeline;*

*b. Damage incurred on a pipeline that requires an immediate pressure reduction, repair or replacement of a pipeline section that was operating at a pressure of more than 100 pounds per square inch; or*

*c. An event that causes the pressure in a pipeline section to rise above its maximum allowable operating pressure plus twice the build-up allowed for operation of pressure limiting or control devices.*

*3. For the purposes of this section, accident does not include events involving motor vehicles related to damages other than to the premises, plant, instrumentality, or facilities of a public utility.*

**Sec. 14.** NAC 704.240 is hereby amended to read as follows:

~~1.] At the earliest practicable moment following the discovery of an accident, [allowing time to carry out proper emergency procedures to prevent further injury to persons or property,] but not later than four hours after discovery,~~ a public utility shall ~~[give notice to the Commission in accordance with the provisions of subsection 2.~~

~~2. Upon discovering that an accident has occurred, and if such discovery occurs during the hours of 8:00 a.m. to 5:00 p.m. on a weekday other than a Saturday, Sunday, or holiday, an authorized representative of the utility shall] submit an initial report of the accident to the [Secretary of Regulatory Operations Staff of the Commission via telephone, electronic mail, or both. [If the discovery of the accident occurs at any other time, the utility shall report the accident to the office of the Secretary of the Commission on the next working weekday between 8:00 a.m. and 5:00 p.m.]~~

**Sec. 15.** NAC 704.245 is hereby amended to read as follows:

*1.* The ~~[telephonic] initial report [to the Commission]~~ required by ~~[subsection 2 of]~~ NAC 704.240 must include the following information to the extent that the information is available to the representative of the utility making the *initial* report:

~~1.] a.~~ The name and principal business address of the utility.

~~[2]~~ *b.* The name and position of the ~~[person-making-the-telephone-call]~~ *representative of the utility making the initial report.*

~~[3]~~ *c.* The *estimated* date and time of the accident ~~[, or of its discovery by the utility, whichever is appropriate].~~

*d. The date and time of the discovery of the accident by the utility.*

~~[4]~~ *e.* The location of the accident.

~~[5]~~ *f.* A ~~[brief]~~ description of the accident ~~[and steps being taken or contemplated by the utility to prevent further property damage or personal injury from occurring].~~

~~[6]~~ *g.* The number of fatalities or injuries ~~[, if any, resulting from the accident and the names of the persons involved, if known].~~

*h. A description of the cause of the accident.*

*i. A description of the steps being taken or contemplated by the utility to prevent further property damage or personal injury from occurring.*

*j. The number of structures evacuated.*

*k. The number of persons evacuated.*

*l. The number of customers affected by any service outage. If the accident results in a significant service outage, the utility shall also comply with the reporting requirements in Sections 8 and 10 of this regulation.*

~~[7]~~ *m.* ~~[An estimate of the extent]~~ *A description* of property damage which has occurred, or which may be anticipated, as a result of the accident.

~~[8]~~ *n.* Any additional information deemed necessary to apprise the *Regulatory Operation Staff of the* Commission properly of the details of the accident.

~~[9]~~ o. The names and telephone numbers of the personnel of the utility who may be contacted, if further information regarding the accident is required.

*2. The utility may request confidential treatment of the initial report. At a minimum, though, the utility shall provide a general description and approximate location of the accident for public dissemination.*

**Sec. 16.** NAC 704.250 is hereby amended to read as follows:

1. ~~[Except as provided in subsection 2 of NAC 704.240, all utilities]~~ *A utility* shall submit a ~~[written]~~ *final* report of each accident to the Commission within ~~[20]~~ *30 calendar* days *after* the ~~[telephonic]~~ *initial* report required in NAC ~~[704.245]~~ *704.240*. ~~[, in accordance with the instructions on the form entitled "Public Utility Accident Report."\*]~~

*2. Except as provided in subsection 3, a utility shall use the Commission-approved form entitled "Public Utility Accident Report" for the final report.*

*3. A gas utility shall use the Pipeline and Hazardous Material Safety Administration Form PHSMA F 7100.1 for an accident on a distribution line, or form PHSMA F 7100.2 for an accident on a transmission line.*

~~[2]~~ 4. If any of the information required is not readily available to the utility at the time the ~~[initial-written]~~ *final* report is submitted to the Commission, the utility shall briefly explain its reasons and shall submit the additional information to the Commission as soon as it becomes available to the utility.

~~[3]~~ 5. If the information required has not been submitted to the Commission within ~~[6]~~ *3* months of the date of the ~~[initial-telephonic]~~ *final* report, the utility shall submit a status report in writing to the Commission setting forth the actions taken or contemplated by the utility to obtain the information and the estimated date of submission of the information. Status reports must be



submitted by the utility at ~~[6]~~ 3-month intervals until all of the information has been submitted to the Commission.

*6. If the utility determines after further investigation that the accident did not meet the criteria in NAC 704.230, the utility shall submit a rescission of the initial report to the Regulatory Operations Staff of the Commission within 30 calendar days of submitting the initial report, explaining the basis for the rescission.*

**Sec. 17.** NAC 704.465 is hereby amended to read as follows:

~~[1. An original of each written report which concerns intrastate pipeline facilities, required to be made by 49 C.F.R. Part 191,]~~ *Any report or notification made to the United States Department of Transportation pursuant to the federal regulations adopted by reference in NAC 704.460 must be filed **simultaneously** with the Commission.*

~~[2. The Commission will transmit one copy of each report to the Director, Office of Pipeline Safety, Department of Transportation, Washington, D.C. 20590. If a report concerns a gas leak, the copy will be transmitted within 10 days after the Commission's receipt of the report. If it is an annual report, the copy will be transmitted within 15 days after the Commission's receipt of the report.]~~

**Sec. 18.** NAC 704.255 is hereby repealed.

**Sec. 19.** NAC 704.260 is hereby repealed.

**Sec. 20.** NAC 704.265 is hereby repealed.

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**TEXT OF REPEALED SECTIONS**  
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**NAC 704.255 Additional information.** (NRS 703.025, 704.190, 704.210) In addition to the specific information required by NAC 704.230 to 704.265, inclusive, a utility shall furnish any other information requested by the Commission in its investigation of accidents.

**NAC 704.260 Restoration of service; preservation of scene of accident.** (NRS 703.025, 704.190, 704.210)

1. In any accident involving facilities used for the production, delivery, or furnishing of natural gas, the utility shall seek to restore safe, adequate, and reliable service to its customers. The preservation and protection of life and property are paramount.

2. The utility shall take reasonable steps to preserve intact and in place all utility facilities involved in the accident until an investigation of the scene of the accident has been concluded by personnel of the Commission, and written clearance has been granted by the Commission for the further removal, repair, replacement, or restoration of damaged utility facilities.

**NAC 704.265 Penalties.** (NRS 703.025, 704.190, 704.210) If any utility violates any provision of NAC 704.230 to 704.265, inclusive, or fails or refuses to perform any duty enjoined upon the utility by those provisions, the public utility shall be subject to the penalty prescribed in NRS 703.380 for every violation or failure or refusal to act.