

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

**LCB File No. R084-10**

August 23, 2010

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

AUTHORITY: §1, NRS 703.025, 703.154, 704.190 and 704.210; §§2-10 and 19, NRS 703.025 and 704.210; §§11-18 and 20, NRS 703.025, 704.190 and 704.210.

A REGULATION relating to reporting of service outages and accidents; requiring a gas operator to report accidents; requiring a utility to report certain service outages; requiring an electric utility to report service outages; requiring a water utility to provide notice of certain scheduled maintenance; revising provisions relating to the reporting of accidents by a utility; repealing a redundant section relating to penalties; and providing other matters properly relating thereto.

**Section 1.** Chapter 703 of NAC is hereby amended by adding thereto a new section to read as follows:

*1. A gas operator shall comply with the accident reporting requirements set forth in NAC 704.230 to 704.250, inclusive, and sections 11, 12 and 13 of this regulation in the same manner as required for a gas utility.*

*2. As used in this section, “gas operator” means an entity that operates or maintains 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.*

**Sec. 2.** Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 3 to 13, inclusive, of this regulation.

*Sec. 3. As used in sections 3 to 10, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 4 and 5 of this regulation have the meanings ascribed to them in those sections.*

*Sec. 4. "Pipeline" has the meaning ascribed to it in 49 C.F.R. § 191.3, as adopted by reference in NAC 704.460.*

*Sec. 5. "Significant service outage" means:*

*1. For an electric utility, an outage of at least 3,000 customer hours or any outage lasting more than 10 hours.*

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

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

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

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

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

*3. For a water utility, any unscheduled outage resulting in water pressure of less than 5 pounds per square inch in any water distribution main that affects service to 50 or more customers or lasts more than 6 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.*

**Sec. 6.** *At the earliest practicable moment following the discovery of a significant service outage, but not later than 4 hours after discovery, a utility shall submit an initial report of the significant service outage to the Regulatory Operations Staff of the Commission by telephone or electronic mail, or both.*

**Sec. 7. 1.** *The initial report required by section 6 of this regulation 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 significant service outage.*
- (d) The number of customers affected.*
- (e) The date, time and duration of the significant service outage.*
- (f) The date and time of discovery of the significant service outage.*
- (g) The cause of the significant service outage.*

**2.** *The utility may request confidential treatment of the initial report by the Commission. If the utility requests confidential treatment of the initial report, the utility shall provide an approximate geographic area and estimated number of customers affected by the significant service outage for public dissemination.*

**Sec. 8. 1.** *A utility shall submit a final report of each significant service outage to the Commission within 30 calendar days after submitting the initial report required by section 6 of this regulation.*

**2.** *A utility shall submit the final report on the form entitled “Public Utility Significant Service Outage Report,” which is available from the Commission.*

*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 after 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 service outage was not a significant service outage, the utility shall submit a rescission of the initial report to the Regulatory Operations Staff of the Commission within 30 calendar days after submitting the initial report explaining the basis for the rescission.*

**Sec. 9. 1.** *An electric utility shall submit a quarterly report to the Regulatory Operations Staff of the Commission within 30 days after the end of each calendar year quarter for all service outages, including, without limitation, a significant service outage, that occurred in that calendar year quarter.*

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

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

**Sec. 10. 1.** *A water utility shall notify the Regulatory Operations Staff of the Commission by telephone or electronic mail, or both, at least 24 hours before any scheduled maintenance that will:*

*(a) Last more than 6 hours; or*

*(b) Result in water pressure of less than 5 pounds per square inch in any water distribution main and affect service to 50 or more customers.*

**2.** *The notification required pursuant to subsection 1 must include:*

*(a) The hours during which service will be interrupted;*

*(b) The time on which service will be restored; and*

*(c) The number of customers to be affected by the scheduled maintenance.*

**Sec. 11.** *As used in NAC 704.230 to 704.250, inclusive, and sections 11, 12 and 13 of this regulation, unless the context otherwise requires, the words and terms defined in NAC 704.230 and sections 12 and 13 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 12.** *“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. 13.** *“Pipeline” has the meaning ascribed to it in 49 C.F.R. § 191.3, as adopted by reference in NAC 704.460.*

**Sec. 14.** NAC 704.230 is hereby amended to read as follows:

704.230  ~~[As used in NAC 704.230 to 704.265, inclusive, unless the context otherwise requires:]~~

1. “Accident” means  ~~[any]~~ :

*(a) Any* occurrence or condition directly or indirectly arising from or connected with the maintenance or operation of the premises, plant, instrumentality, or facilities of any public utility which has resulted in:

~~[(a)]~~ *(1)* The loss of human life;

~~[(b)]~~ *(2)* Injury to a person requiring *inpatient* hospitalization; or

~~[(e)]~~ *(3)* Estimated property damage to utility facilities or to the property of others, or both, in the amount of  ~~[\$5,000]~~ *\$50,000* or more  ~~[-]~~; *and*

*(b) For a gas utility, in addition to any occurrence or condition described in paragraph (a):*

*(1) An evacuation caused by a release of gas from a pipeline;*

*(2) Damage incurred to 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*

*(3) 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.*

2.  ~~[“Utility” or “public utility” means those entities described in NRS 704.020.]~~ *The term does not include a motor vehicle accident unless the motor vehicle accident causes damages to the premises, plant, instrumentality or facilities of a public utility.*

**Sec. 15.** NAC 704.235 is hereby amended to read as follows:

704.235 The provisions of NAC 704.230 to ~~[704.265,]~~ **704.250**, inclusive, *and sections 11, 12 and 13 of this regulation* do not apply to any common carrier engaged in the transportation of passengers or property by rail, except that:

1. The railroads shall provide the Commission with immediate telephonic notice of an accident involving the loss of human life; and
2. The railroads shall furnish to the Commission copies of accident or incident reports filed with the Federal Railroad Administration pursuant to regulations issued under the Federal Railroad Safety Act of 1970 and the Accidents Reports Act.

**Sec. 16.** NAC 704.240 is hereby amended to read as follows:

704.240 ~~[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 4 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 ~~[by telephone to the Secretary]~~ *to the Regulatory Operations Staff* of the Commission ~~[. 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.]~~ *by telephone or electronic mail, or both.*

**Sec. 17.** NAC 704.245 is hereby amended to read as follows:

704.245 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.~~

~~3.]~~ *representative of the utility making the report.*

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

~~4.]~~ (d) *The date and time of the discovery of the accident by the utility.*

(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.~~

~~7. An estimate of the extent]~~

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

(i) *The number of structures evacuated.*

(j) *The number of persons evacuated.*

(k) *The number of customers affected by any service outage. If the accident results in a significant service outage as defined in section 5 of this regulation, the utility shall also comply with the reporting requirements set forth in sections 3 to 9, inclusive, of this regulation.*

(l) *A description* of property damage which has occurred, or which may be anticipated, as a result of the accident.

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

~~[8.]~~ (n) Any additional information deemed necessary to apprise the *Regulatory Operations 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 by the Commission. If the utility requests confidential treatment of the initial report, the utility shall provide a general description and approximate location of the accident for public dissemination.*

**Sec. 18.** NAC 704.250 is hereby amended to read as follows:

704.250 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 ~~[of]~~ after submitting the ~~[telephonic]~~ initial report required ~~[in]~~ by NAC ~~[704.245, in accordance with the instructions on the form entitled "Public Utility Accident Report."\*~~] *704.240.**

*2. A utility, other than a gas utility, shall submit the final report on the form entitled "Public Utility Accident Report," which is available from the Commission.*

*3. A gas utility shall submit the final report on the form prescribed for a gas distribution pipeline system incident report (Form PHMSA F 7100.1) or the form prescribed for a gas transmission and gathering systems incident report (Form PHMSA F 7100.2) by the Pipeline*

*and Hazardous Materials Safety Administration of the United States Department of Transportation.*

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~~ *after* 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-month~~ *3-month* intervals until all of the information has been submitted to the Commission.

~~[\*See adopting agency for form.]~~

6. *If the utility determines after further investigation that the incident was not an accident, the utility shall submit a rescission of the initial report to the Regulatory Operations Staff of the Commission within 30 calendar days after submitting the initial report explaining the basis for the rescission.*

**Sec. 19.** NAC 704.465 is hereby amended to read as follows:

704.465 ~~[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. 20.** NAC 704.255, 704.260 and 704.265 are hereby repealed.

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**TEXT OF REPEALED SECTIONS**

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**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.

**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.

**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.