

Members Present:

Chairman Hayes  
Vice Chairman Stewart  
Mr. Banner  
Mr. Brady  
Mr. Coulter  
Mr. Fielding  
Mr. Horn  
Mr. Malone  
Mr. Polish  
Mr. Prengaman  
Mr. Sena

Members Absent:

None

Guests Present:

Gary Azzai	Gaming Control Board
Tod Bedrosian	Assemblyman
Bill Branch	Sierra Pacific Power Company
Richard Bryan	Attorney General
Frank Carmen	Clark County Juvenile Court
Paul Carrington	
Judge Mike Griffin	First Judicial District
Tom Hickey	Assemblyman
John Holmes	Nevada Bell
Frank Holzhauser	Department of Human Resources
George M. Keele	
Pete Kelley	Nevada Rural Electrical Association
Chuck King	Central Telephone
Brent Kolvet	Douglas County
Mike Malloy	Assistant District Attorney, Washoe County
Sam Mamet	Clark County
Steve McMorris	Douglas County District Attorney
Robert Price	Assemblyman
Dave Russell	Southwest Gas Corporation
Jack Stratton	Gaming Control Board
Larry Struve	
Stan Warren	Nevada Bell
Robert Weise	Assemblyman
Capt. Charles W. Williams	Reno Police Department

Chairman Hayes called the meeting to order at 8:08 a.m.

ASSEMBLY BILL 364

Creates division for protection of utility customers  
in office of attorney general and defines its duties.

Mr. Bryan spoke first before the Committee, and he said that the passage of the Public Utility Regulatory Policy Act seemed to indicate that the Legislature should take some sort of action as is proposed by this bill. He said that the division that is proposed could be a part of the executive department of State government, an agency under the legislative branch of the government, or, as proposed, a part of the Attorney General's Office.

Mr. Bryan said that the thrust of the Federal act is that any consumer or group is entitled to participate in the proceedings of the Public Service Commission. If the Commission determines that the testimony given has made a valid contribution, the Commission could require the utility involved to reimburse the consumer for appearing. He said that if the Legislature fails to act, it will be hard for the Commission to determine which group could intervene at hearings.

Mr. Bryan said he had prepared amendments to the bill which he could present in writing to the Committee at a later time. He suggested a change in the name of the division that would be created. He noted that the bill requires that the division research the basis for all proposed increases. He did not feel this was necessary, and he read new language he would propose. He said that the division should be given the authority to intervene in Federal regulatory agency proceedings. He said that the authority should be in the law to appeal Commission decisions by means of judicial review.

Mr. Bryan further stated that where there could possibly be cases against the Commission by the division to be created, the Commission should be allowed to retain independent counsel rather than be represented also by the Attorney General's Office. He said, however, that a number of states that have this office in the Attorney General's Office have gone to court, and the court has found that there was no conflict of interest in the Attorney General or his deputies representing both sides of the question.

Mr. Bryan noted that the Committee would have to consider funding if this office was created.

Mr. Stewart asked if one of the duties of the Public Service Commission was to protect the public. Mr. Bryan said he did not know if this was considered a duty or not. He said there should be an adversary type position, and he said this position has not existed historically.

Assemblyman Bedrosian, prime sponsor of the bill, stated that Mr. Bryan had been a pioneer of this idea in Nevada. He said he would support amendments submitted by Mr. Bryan. He said he thought the time was right for a consumer advocate office of this type.

Mr. Keele said that there are about 35 to 50 cases annually before the Public Service Commission. He related that there are

eight major utilities in the State who generally file no more than one rate application each year. He said that after a Commission decision is made, there is usually an appeal taken in 90% of the cases by one of the parties involved.

Mr. Struve said that 14 states have this type of office in the Attorney General's Office, and 19 states have the office in other branches of government with most under the Governor. He said that once a consumer advocate office has been established, it becomes a very well accepted institution because of the high impact of utilities on the consuming public.

Mr. King spoke in opposition to the bill. He said the bill would create a redundant function and would cause inefficiency in government. He said passage of this bill could cause a utility to suffer an additional lag in time waiting for approval while the Attorney General's Office was performing their additional investigation on rate increases.

Chairman Hayes stated that she felt the Public Service Commission was a regulatory body and that consumers have no place to go. Mr. King noted that there is a consumer division in the Public Service Commission.

Mr. Branch presented a written statement (Exhibit A) to the Committee. He said that utilities have experienced a tremendous rise in cost of government regulation.

Mr. Coulter stated that the Consumer Affairs Division in the Public Service Commission is a public relations office that functions to answer complaints. He noted in Mr. Branch's statement that this office does not get involved in rate hearings. He said that basically there is no one getting involved in rate hearings who would represent the consumer.

Mr. Branch related that the Public Service Commission had spent \$35,000 and \$50,000, respectively, on two different studies of utilities. Noting the projected budget of \$200,000 for the office to be created, he said that this amount could be used up very fast and wondered if the Legislature would want to spend the money in this way. Mr. Coulter said that \$200,000 was a very small amount in comparison to the amount spent by utilities in presenting their information to the Public Service Commission.

Mr. Warren said he felt this bill was duplicating the function of the Consumer Affairs Division in the Public Service Commission except for allowing the Commission to retain independent counsel. He noted that the Commission had requested a data processing unit in their budget, and he said this would help to relay information from utilities on magnetic tape rather than in volume form.

Mr. Russell presented a letter (Exhibit B) written to the Attorney General from Charles H. McCrea. He said that if it

was the Committee's opinion that the staff of the Public Service Commission has not done an adequate job that he would support the bill being considered.

Mr. Carrington said that he spoke as a citizen in opposition to this bill. He said that anything that adds to the length of time which elapses during a hearing for a rate increase adds to costs which are picked up ultimately by consumers. He relayed information which he received from his stock broker which said that Nevada's Public Service Commission was average in its decisions, but stringent.

Mr. Kelley said that the Rural Electric Association opposes this bill. He said the new agency would duplicate the function of the Commission. He said that the association contends that the Attorney General's Office would not be familiar with regulation as the Commission is.

ASSEMBLY BILL 376

Excludes violent crimes from jurisdiction of juvenile courts.

Assemblyman Weise, sponsor of this bill, said that the bill was part of his effort to try and expand the ability to prosecute juveniles who are habitual criminals with a history of committing violent crimes. He said he had spoken with Judge Griffin whose main concern about the bill was making an alternate means where juveniles could also be decertified as adults. He said he did not think there would have to be any problem with creating spaces in prisons to house juveniles that might be sent there apart from the adults in the prison. He said the punishment for youth committing these crimes had to be more than placement in a juvenile facility or just probation.

Mr. Lewis stated that 35% of all crime in Carson City is committed by juveniles. Fifty to sixty percent of the property crimes are committed by juveniles.

Mr. Carmen said he was opposed to the bill. He said that juveniles are committing more sophisticated crimes and an increased number of crimes, but he said this bill was not the way to go. He said he was concerned that an attitude was being expressed that juvenile court was more lenient than adult court. He felt this was not the case. He presented a chart (Exhibit C) showing in Clark County the numbers of juveniles dealt with in Juvenile Court Services.

In addition, Mr. Carmen did not feel that there was a problem with certifying juveniles committing certain crimes now. He said that in Clark County in 1977, 163 juveniles were certified as adults. In 1978, 262 were certified. He said there did not need to be legislation that would complicate the certifying process.

Mr. Carmen said that he was trying to see that a concurrent resolution be passed calling for a study of the juvenile court system in the State. He felt that the Legislature should not take any action such as was proposed until the study could be completed.

Mr. Kolvet said he was in favor of the concept of the bill. He stated that he felt the definition of "violent crime" was too broad. He felt there should be a definite list of crimes under which a juvenile could be certified as an adult. In this list, he would include robbery, rape, arson, kidnaping, burglary on second or third offense, and larceny from the person on second or third offense. He suggested a minimum age of 14 for certification.

Mr. Malloy said he would support the remarks made by Mr. Kolvet.

Mr. Holzhauser stated that the only basic concern from his department was the definition of "violent crime" as stated earlier.

Mr. Weise said that by the time youngsters are sent to a juvenile facility, they probably have five or six convictions. Many times, he said they are there less than one year. He felt that the alternative for a habitual offender was incarceration.

Chairman Hayes appointed a subcommittee of Mr. Fielding and Mr. Polish to work with Mr. Weise and Mr. Carmen concerning this bill.

#### ASSEMBLY BILL 361

Limits disclosure of class of crime which a person has committed in another state to class in that state.

Assemblyman Price, sponsor of the bill, related the problem that some people have faced when some type of investigation has been done regarding their background. He said that a person may have been convicted of a misdemeanor in another state, but the particular crime was a felony in Nevada. On the record in Nevada, this was therefore shown as a felony. He said the problem would come when this person would move to a third state. When this state would do an investigation, possibly Nevada might report that the person was convicted of a felony because of what had been transmitted from the first state.

Mr. Price said the bill would provide that the conviction in another state would have to be shown in Nevada the same way it would be shown in the other state. He said the Las Vegas Metropolitan Police Department had a recommended amendment to the bill. He also said the Gaming Control Board was in support of the bill. For the LVMPD amendment, see Exhibit D.

Mr. Stratton presented amendments to the bill which he said would make it conform with A.B. 236.

Chairman Hayes stated that the proposed amendments should be heard at the joint hearing with the Senate Judiciary Committee the following week.

ASSEMBLY BILL 378

Permits district attorney to certify photographs of certain property held as evidence and return property to owner before trial.

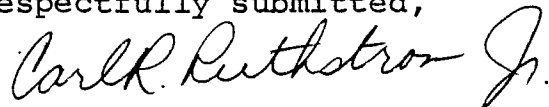
Assemblyman Hickey, primary sponsor of this bill, stated that the purpose of this bill was to eliminate the necessity for judicial hearing so that victims of crime can enjoy the use of their property during long delays associated with criminal prosecutions. He said also that police departments could then do away with the expense of storing property.

Mr. Hickey said that in many cases, the evidence that is being held is never requested in court. He said that many times victims cannot receive insurance compensation for damaged items because the items are being held by the Sheriff.

Mr. Horn moved to adjourn; Mr. Brady seconded the motion.

Chairman Hayes declared the meeting adjourned at 10:52 a.m.

Respectfully submitted,



Carl R. Ruthstrom, Jr.  
Secretary

BEFORE THE COMMITTEE ON JUDICIARY - FEBRUARY 21, 1979

TESTIMONY OF WILLIAM C. BRANCH, TREASURER,  
SIERRA PACIFIC POWER COMPANY, IN OPPOSITION TO A.B. 364

The cost of governmental regulation in the United States continues to increase in staggering proportions despite protests by industry and consumers. The electric and gas utility companies are made aware of such increased regulation through continuing changes in environmental regulations and the ground rules for implementing such regulations, delays in construction, and revisions to local, state and federal laws.

The latest blockbuster is the recently enacted National Energy Policy, which consists of five Federally legislated acts each having a different but substantial impact on both regulated and non-regulated utilities. The Public Utilities Regulatory Policy Act of 1978, in particular, impacts not only electric and gas utilities, but establishes ratemaking standards, guidelines, and requirements which State regulatory commissions must abide by. Also included in this Act is authority granted to the Department of Energy (DOE) to intervene in any ratemaking proceeding conducted by a State regulatory authority.

What I am attempting to point out is that we now have the Federal Government (DOE) with the authority to duplicate costs and services provided by the Nevada Public Service Commission during the conduct of a rate hearing; and A.B. 364 would provide for triplicating such costs and services.

By Nevada statute, the Nevada PSC has been given the responsibility to regulate the operations of public utilities. Regulating a public utility is a complex task requiring the service of highly trained and qualified accountants, engineers, economists, rate experts, and attorneys. Over the years, the Commission has added to its staff and developed the expertise to audit, review, and regulate utilities within its jurisdiction. In addition to utilizing its own staff, the Commission has the authority to hire such additional experts as deemed necessary to carry out its functions and responsibilities. The Commission has, in fact, exercised this authority from time to time and retained the services of experts to audit and present accounting testimony relating to rate increases; to present cost of money testimony in rate proceedings; to review cost of service methods and proceeds; to analyze and recommend time-of-use ratemaking principles; to review technical data relating to construction permit applications, etc.

The 1975 legislature, recognizing the desirability of having an agency representing the consumer, i.e., all consumers, determined that it was desirable not to form a separate organization, but to incorporate the consumers' representative as a division of the Nevada PSC, with assistance being provided by other staff members of the regulatory body for carrying out its responsibilities.



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The effect of A.B. 364 would be to duplicate services presently the responsibility of and being provided by the Commission.

The duties of Staff Counsel for the Nevada PSC are set out in NRS 704.120. That section gives the Commission, and therefore the Commission Staff Counsel, the authority to oppose a rate if such rate is found to be "unjust, unreasonable or unjustly discriminatory, or to be preferential, or otherwise in violation of the provisions of this chapter." Although the Staff Counsel's duties are not specifically set out in the statutes, the Staff is an agent of the Commission, and therefore has the same duties as does the Commission towards the utility and the same responsibilities to the consumer as does the Commission.

NRS 704.100(6), (7) provide the Commission with the power to dispense with a hearing for rate increase only if the gross revenue increase is \$2,500 or less. NRS 704.110 provides the basic ground rules requiring the Commission to investigate and hold hearings relating to rate increases. Proposed A.B. 364 in creating a division for protection of utility customers is clearly duplicating the responsibilities, functions, and services presently charged by law to the Nevada PSC.

The enactment of this proposed legislation, therefore, would provide for duplicate costs and services, and perhaps conflicting responsibilities, by two separate executive departments reporting to the Chief Executive of the State. Nevada ratepayers are paying for the services provided by the Nevada PSC and its staff. Neither the ratepayers or tax payers should be burdened with any unnecessary and additional costs, particularly at a time when the public outcry against such conduct is loud and clear.

I strongly urge that A.B. 364 be killed.



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(702) 876-7237

January 22, 1979

Honorable Richard Bryan  
Attorney General  
State of Nevada  
Carson City, NV 89701

Dear Dick:

Following up on our telephone conversation on the subject, I would like to leave with you just a few thoughts, perhaps better organized than previously presented, on the subject of additional consumer representation in public utility rate proceedings.

Before any recommendation for additional consumer representation in utility rate hearings could conscientiously or intelligently be recommended, the fundamental question of whether such representation is needed must be addressed. If such representation is needed, then it should be provided. My company's position, which I fully support personally, is that full and fair representation of all legitimate interests in utility regulatory proceedings is greatly to be desired. The consumer is entitled to be heard, just as is the utility.

The question of whether additional consumer representation is needed begs a further and equally important question. As you know, the staff of the Public Service Commission, which now has its own counsel (until 1977 it was represented by a deputy A.G.), is charged with presenting an informed, expert and presumably dispassionate and impartial position in public utility rate proceedings. And, in fact, the staff of the Nevada Public Service Commission has been augmented by the addition of numerous engineers, accountants and other specialists since the early 1970's when the so-called energy crisis and the concurrent heavy pressure on gas and electric rates became a source of intense public concern.

If the Public Service Commission staff is doing the job with which it is charged, then the authorization of additional consumer representation in public utility rate proceedings would be redundant, and the funding thereof simply wasteful. If the Public Service Commission staff is not doing its job, then obviously corrective measures should be taken at that level. It

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seems to me, therefore, that the question of whether additional consumer representation in Nevada utility rate proceedings is necessary begins with an inquiry as to whether the Public Service Commission staff is adequately performing its assigned functions.

Obviously I am not the one who ultimately must judge whether the Public Service Commission staff is performing its assigned functions in an adequate manner. However, simply on the basis of observed results, I can represent to you that I know of no Nevada gas or electric utility (I make no representation as to others, because I have no knowledge of them) whose earnings have exceeded its authorized rate of return over any significant period during the last half dozen years. I have firsthand knowledge of several utilities, including Southwest Gas Corporation, whose earnings have been significantly lower than those authorized by the Nevada Public Service Commission during this period.

In utility rate proceedings, as in many other matters, the quantity of representation does not produce quality of results. In fact, just the opposite is likely to occur because a record cluttered with extraneous, irrelevant, superfluous and often contentious matters is more difficult to follow, interpret and organize for the purposes of reaching a reasoned and intelligent decision.

For these reasons, unless and until it is ascertained that the Public Service Commission staff (1) is not doing an adequate job and (2) is incapable of doing an adequate job in representing consumer interests in Public Service Commission proceedings, I would oppose the funding of redundant interventions either by the state or by the utilities. In this connection, I should point out that the term "consumer interest" extends considerably beyond the simplistic concept of low rates. The interest of consumers extends to adequate utility service both in the present and in the future, and the latter will not occur if inadequate rates are set for today. The Commission Staff (presumably, the impartial, informed experts) is much more likely to represent the whole of the consumers' interests than are the ravenous, bounty-hunting, publicity seeking attorneys which the barratrous practice of subsidized intervention would attract to the fray in droves.

I previously spoke with you about the Public Utility Regulatory Policies Act (PURPA) and its Sections 121 through 124, which

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purport to require electric utilities under certain conditions to compensate intervenors opposing their applications in rate proceedings.

No one can confidently predict where a court might go on this subject, but I personally consider such requirements a consummate insult to the First Amendment to the U.S. Constitution. As you know, rate making is a legislative process, and the Public Service Commission is a creature of the legislature created to exercise certain delegated powers with respect to the legislative process of rate making. Accordingly, when a utility files a rate application, in substance it comes to "petition the government for a redress of grievances," in the precise language of the First Amendment. I can think of nothing that would have a more chilling effect upon the exercise of First Amendment rights -- by anyone, not just utilities -- than to put a price tag on the exercise of those rights, that price tag being the knowledge that one would have to compensate anyone who appeared before a legislative body to oppose one's petition for a redress of grievances. I believe that the First Amendment would not, or at least it should not, tolerate such an imposition upon its free exercise.

Thanks for permitting me to bend your ear. I hope I have contributed some useful thoughts to the subject.

Sincerely,



CHMcC:ilm

CLARK COUNTY JUVENILE COURT SERVICES

STATISTICAL INFORMATION  
1978

The statistical information included in this report is for the calendar year 1978. It is in reference to AB 376 which is 1979 legislation regarding violent crimes committed by individuals under the legal age of 18 years.

The offenses included in this report are: Homicide, Attempted Homicide, Armed Robbery, Assault with Deadly Weapon, Battery with a Deadly Weapon, Battery with Intent to Kill and Use of a Deadly Weapon in the Commission of a Crime.

I. Total Offenses in category Crimes Against Persons - 1,586

292 or 18% would be classified as Violent Crimes.

Males - 250 or 85%  
Females - 42 or 14%

II. Percentage of most Frequent Crimes

Armed Robbery	29%
Battery With a Deadly Weapon	26%
Assault With Deadly Weapon	22%
Use of Deadly Weapon in Commission of a Crime	21%
Remaining offenses (Includes Homicide, Attempted Homicide, Battery With Intent to Kill.)	2%

III. Age Analysis

Males	17 - 18 years	- 79%
	15 - 16 years	- 15%
	12 - 14 years	- 6%
Females	17 - 18 years	- 81%
	15 - 16 years	- 14%
	12 - 14 years	- 5%

Statistical Information - 1978  
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IV. Offense Analysis

	<u>No. of Offenses</u>	<u>Sex</u>
Homicide	1	1 Male
Attempted Homicide	4	2 Males 2 Females
Armed Robbery	84	77 Males 7 Females
Assault With Deadly Weapon	63	50 Males 13 Females
Battery With Deadly Weapon	76	60 Males 16 Females
Battery With Intent to Kill	2	2 Males
Use of Deadly Weapon in Commission of Crime	62	58 Males 4 Females

JOHN McCARTHY, Sheriff



# Las Vegas Metropolitan Police Department

400 EAST STEWART AVENUE  
LAS VEGAS, NEVADA 89101  
PHONE 702/386-3111

February 12, 1979

Assemblyman Robert Price  
1979 Nevada Legislature  
Carson City, Nevada

SUBJECT: Proposed Amendment to NRS 207.090

Dear Sir:

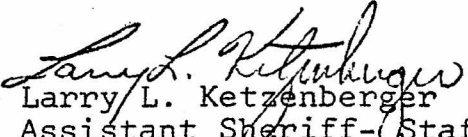
With reference to the proposed amendment of NRS 207.090, it is suggested that page 4, section 3 be amended to read as follows:

Any reference to a conviction of a crime must also include the classification of the crime only in the state where the crime was committed.

Present wording could be interpreted as permissive and not requiring a disclosure of crime classification at all; thus leaving the interpretation to the receiving party.

Very truly yours,

JOHN McCARTHY, SHERIFF

By:   
Larry L. Ketzenberger  
Assistant Sheriff-Staff

LLK/kj

