

MEMBERS PRESENT: Vice-Chairman Schofield
Mr. Craddock
Mr. DuBois
Mr. Jeffrey
Mr. May
Mr. Nicholas
Mr. Polish
Mr. Prengaman
Mr. Redelsperger

MEMBERS EXCUSED: Chairman Dini

MEMBERS ABSENT: Mr. Mello

GUESTS PRESENT: Chuck King, Central Telephone Company
Virgil Aramini, Sierra Pacific Power Company
Nick Colonna, Citizens Advisory Board
John Eck, Southern Pacific Transportation Co.
Assemblyman Westall
Sam Hohmann, Senior Research Analyst
Heber Hardy, Public Service Commission
Dr. David Schwartz, Bethesda, Maryland
Andrew Barbano, Coalition for Affordable Energy
Randolph Townsend, Chairman, Coalition for
Affordable Energy

Vice-Chairman Schofield called the meeting to order at 8:00 A.M. and announced that there was a quorum present.

Mr. Schofield stated that the committee has had considerable testimony in the previous two public hearings and at this time if anyone would like to speak on the Initiative Petition they can be heard.

Mr. Nick Colonna of the Citizens Advisory Panel testified first. He indicated that he was Co-Chairman of the State Department Association. Mr. Colonna stated that at a meeting they had yesterday of the Consumer Advisory Panel, they of the committee did some research on both of these propositions and they thought that their input might help the committee in getting the feel of some of the representation that they cover. He stated that there were seven members present from the panel and the vote on February 3, 1981 regarding the governor's proposal was 5 in favor and 2 against. The feeling of the committee - they had a few recommendations and he would like to pass these on the the committee - is that the Governor's proposal was acceptable, but they would like to see a few little things added to it. First of all, they would like to see the gentleman selected for the leadership for the new staff to be consumer oriented, as opposed to technically oriented.

Mr. Colonna stated they felt, after a lot of discussion, that the staff itself had all of the technology and all of the expertise that was

needed and they really felt that somebody strong administratively and consumer wise would probably do a lot better than somebody who was technically oriented because the engineering and the administration usually don't overlap that well. It might be kind of difficult to get one person to fill that position. They felt that the term of office for the administrator should overlap and start at the beginning of a governor's term and lap over into the next two years of the succeeding term, whether it be a new or existing governor. They felt the strongest position they could take so as to relieve any problems of political appointments which is always a problem in our government, would be a ratification by the Senate or the Assembly joint committee of anybody appointed to that position. They felt that in that way it would limit the amount of politics being played with that particular position. The overall plan for the governor they felt was strong, that his breakdown was truly representative of them, they felt that he was putting somebody there with a lot of knowledge which would be the staff and we liked the fact that they were out from under the commission and that the commission would strictly adjudicate. They thought that was really a step in the right direction. A lot of the research that they had done found that that was the most successful system all over the country.

Mr. Colonna stated that they had presentations before their group of the two proposals and they found that the governor's even though it is lengthy, 65 pages, did address all of the problems concerning consumer and it wasn't only just utilities, everything that the PSC would obviously affects us, if it is a truck rate, it raises the cost of our food coming in. Being a little community within three or four states, that is a significant point for us too. That was our recommendation

Mr. DuBois asked Mr. Colonna if he said that the three states that have the consumer advocate office under the governor are more effective, rather than the twenty or so states that have put it under the Attorney General's office?

Mr. Colonna stated yes, that they found that there are a number of those that are converting and are being eliminated under the other system.

Mr. DuBois questioned Mr. Colonna as to how they determined that this system was more effective.

Mr. Colonna stated that the first thing they did was to read through this. They had to take a lot of time to read it carefully to understand it. They did have a number of people on the panel that were well versed in the law, and that was one of our panel members, Nada Navocavich from Reno, who is an attorney, so she could read and interpret some of these things for us. In reading the two things that were presented to us, they felt that this by far covered

everything that should have been covered in presenting a bill. We felt that this was lacking in a lot of ways - it did not discuss or address the problem of what happens in a conflict of interest. The attorney general we know is required to represent the Public Service Commission. If a consumer advocacy was formed under that, how could he then represent the consumer and the PSC. We just felt there was a conflict.

Mr. DuBois then asked Mr. Colonna if that was their main problem.

Mr. Colonna stated yes.

Mr. Craddock indicated that he had done a bit of study on this and he was missing something some where along the line. Mr. Craddock asked if Mr. Colonna could pick the term "consumer oriented" apart. Is this person we are looking for someone other than a consumer? Is it because of the absence of characteristics that we are earmarking them as consumers?

Mr. Colonna stated that his own definition of "consumer oriented" to them would be the people that represent us, the consumer, not the one that would represent the utility.

Mr. Craddock stated that this was all of us. We are all consumer oriented.

Mr. Colonna stated that some are and some aren't. We are all subject to lots of pressures and we want the person selected to be the consumer representative out from under that yoke. We want him to be strictly a representative of the consumer. We don't need anyone else in there representing government. We want him to represent the consumer in government, more or less getting it back to the old days of government by the people.

Mr. DuBois asked Mr. Colonna if by consumer he meant the residential customer more than the commercial customer and industrial customer?

Mr. Colonna stated yes and that that was really where they were coming from as they represent the consumer, the ordinary guy that goes to work every day - the little business man.

Mr. Craddock stated that he did not wish to belabor the point but we are all in that respect consumer oriented. I believe there is some other way of identifying this person. We are all in that group.

Mr. Colonna stated that he did not understand the question.

Mr. Craddock asked consumer oriented was a group of people who would have a specific characteristic or a nature that precludes them from being considered consumer oriented?

Mr. Colonna stated they were saying consumer oriented as opposed to a technician.

Mr. Craddock then asked Mr. Collona if these people had technical characteristics if they would want them involved.

Mr. Colonna stated that obviously if they are going to be a technician and they are going to work specifically and their past has shown that they work specifically as a technician. We want somebody that has worked specifically in the consumer field representing consumers.

Mr. DuBois asked Mr. Colonna if he meant a housewife.

Mr. Colonna stated he would not answer that. Obviously it could be anybody. Somebody that was really truly interested. It has to be somebody that is affected in their every day life and can have a rapport with the people and understand the problem.

Mr. Schofield stated that perhaps what Mr. Colonna meant was that the representation can still be a technically oriented person, however your group would like to see someone who has that feeling for the consumer themselves and not on a technical or administrative basis.

Mr. Colonna stated that that was correct.

Mr. Prengaman stated that Mr. Colonna had mentioned that five out of seven people present approved it. He wanted to know what the total number on the board.

Mr. Colonna stated that there were eleven at this present time. He stated that they had different people present at the two different meetings.

Mr. Prengaman asked Mr. Colonna if he had any feeling as to what the other people might feel.

Mr. Colonna stated that two of them were in favor. There were two opposed that we know of.

Mr. Prengaman asked if they had had the opportunity to vote if it would have been nine to five.

Mr. Colonna stated no that it would probably have been nine to two.

Mr. Nicholas stated that that was one of his areas of interest. He stated that he wondered as in other areas of expertise in attempting to deal with Mr. Craddock's question, if we don't divide the world literally into consumers and providers as they do in other areas and what we want a consumer to be is a non-provider, I understand there is a third gender also called regulators and I don't know where this would fall in but I would say certainly a non-provider would be part of your definition.

Mr. Craddock stated that we still had not eliminated very many people. Virtually everyone still qualifies as a consumer oriented person.

Mr. Nicholas stated that we all use the services.

Mr. Craddock indicated that that was consumer oriented. I am having some real problems with this.

Assemblyman Westall stated that since she was the sponsor of the bill should would like to speak.

Mrs. Westall stated that this was one of the points that she would like to clear up. She stated that this is one of the keys of the bill and it bothers her when people say we will pass the bill but we really don't think it is going to do anything or any good. She stated that she felt that that was because they really don't understand what the office should be doing, how it should be handling it and this one of the keys. To answer Mr. Craddock, what we are talking about mainly is a philosophy. The utilities hire people who have a business oriented philosophy so they are over here on one side presenting a case as they should for themselves and for the stockholders. What I envisioned this agency doing is to be the balance for the people. I want them to be biased. I want them to be biased and have a philosophy in favor of the consumer, particularly to the residential one. Hopefully this way with one on this side and one on the other side in exact opposites, we will end up in the middle where it should be and not on either side. But any of the times that you have a lopsided presentation, you are going to end up over on that side, and she felt that that's what we have had. You don't blame the judge, you blame the attorneys, and I am using "attorneys" in an outside manner, but we have to have someone over there who only is there to represent the views of the ordinary person. This is one of the keys and that's why I wanted to make the point here while it is under discussion.

Mr. Redelsperger stated that he would like to ask Mr. Colona if in his studies how effective has he found the independent agencies where they aren't necessarily in the governor's office or the attorney general's office.

Mr. Colonna stated that they found them to be fairly successful but that was not presented to them as an alternative. The only alternatives that they were given were the attorney general's office and the governor's office.

Mr. Redelsperger asked if he could elaborate a little bit as to why they were effective.

Mr. Colonna stated probably because they were not under anybody's direct control or serving at the pleasure of.

Mr. Redelsperger asked if he meant of the legislature?

Mr. Colonna stated serving at the pleasure of the legislature or whatever. He further stated that we were talking about different circumstances that really can't affect Nevada unless we change our legislative structure. The states that have it meet every year. We meet every two years. That becomes a bit of a problem unless we want to create a committee year round to oversee it.

Mr. Redlesperger stated that he would like to hear some testimony along those lines too.

Mr. Colonna stated that they really did not investigate it that heavily. They stayed more or less in the guidelines that they were given.

Mr. May stated that he had a comment. He indicated that as he interpreted his remarks the representative for the adversary position to be adopted by this new proposed entity will have to represent all the customers of the utilities. As I understand your remarks, you would prefer that that person represent more heavily the needs of the homeowner as opposed to the industrial and business users, is that correct?

Mr. Colonna, yes.

Mr. May stated that he could accept that but stated that he must support Mrs. Westall's contention that the individual named to that position has to have the expertise to deal one on one to deal with the educational and technical background with the utility companies' representatives. While this individual must, under the way the statute is proposed, represent all the utility companies, I am sure that certainly at the pleasure of the governor he will be quite aware that he is representing more homeowners than he is industrial users or commercial users, but I would be quite reluctant to change the existing language. I think it is very finely drawn.

Mr. May asked if Mr. Colonna would again state the name of his organization.

Mr. Colonna stated it was The Citizens Advisory Panel to Sierra Pacific Power Company. Mr. Colonna stated that it was not For Sierra Pacific Power Company, but To Sierra Pacific Power Company.

Mr. May asked if this was an ad hoc organization or is it a legally organized organization?

Mr. Colonna stated that it was just an ad hoc group.

Mr. May asked how the members on the committee were made up.

Mr. Colonna stated that they represent all facets of our life. For example, there is a lady on our group that represents senior

citizens. He stated that he himself represented the apartment owners. He further stated that they have two people that represent the general consumer public. Nada Navocovich represents the Chamber of Commerce and is an attorney. Another gentleman represents the Northern Nevada Home Builders. Linda Ryan who is with community services, a school teacher represents the general public. A lady that works for a union, she is an office manager for the plumbers union and then we have Reverend Willie Wynn who represents the poorer segment of the community.

Mr. May stated that he had wondered in his own mind and thought he understood a couple of days ago in testimony, that the electric power costs in Washoe County were two and three times as high as they are in Clark County and I was amazed. Mr. May indicated that if that was the case, he could certainly understand the urgency of this in Washoe County.

Mr. Colonna stated going back to Mr. May's remark about why we wanted a consumer advocate oriented person to direct the staff, when a hearing is coming up for rate changes, the power company or any of the utility companies don't need any help. They do their own thing and they spend their own dollars and they have their own expertise. The heavier interest groups such as gaming, mining, etc. likewise represent themselves very well before the commission. Under the new system, they would represent themselves before the staff arguing for or against whatever increase may be coming up, but the good old consumer, John Doe, you and I, have nobody up there and that's the reason we are pushing so hard for somebody to provide for somebody that is consumer oriented, meaning ourselves, people that know from the gut level that if you raise their bill \$20.00 a month it will come right out of their soul. We can't pass it on, can we.

Mr. May stated that he did not have either the educational background nor the legal expertise or the technical background in this area. Mr. May indicated that he perhaps could make an emotional appeal but the PSC cannot deal in emotions. They cannot be responsive to some consumer who says I cannot afford to pay or I will lose my home. Certainly that's an issue, but they have to look at the dollars and facts and figures and rates of return and responsible analysis to a corporation doing business in a monopolistic situation. You have to have a good basic background in what you are fighting. Mr. May indicated that he would not try to represent himself, that he would hire an attorney and hope that he would speak the same language as the prosecutor's attorney. He indicated that he understood Mr. May's philosophy.

Mr. Colonna stated that what Mr. May stated was true. But, when everybody in this room was elected they were not an expert in their field. You were just John Q. Public like the rest of us. You learned obviously to do your jobs and to do them very well. The Governor the same way. When he was elected governor of the state he was by no means expert on everything within the state government. But what did he do? He surrounded himself with people that were supposedly

the experts in that field and took their advice. The same thing with the staff. Staff is their experts. Staff does all of the work and staff provides them with the arguments for internal rates of return and for fair rate changes. That's why I feel very strongly that the administrator doesn't necessarily have to sit down and grovel in the dirt with them on the technical level. He should take an overview and present that overview. He should be a politician when he is presenting his cases, to convince the PSC that his case is correct.

Mr. Schofield asked Mr. Colonna how the panel was organized. Mr. Schofield stated that he had seen the ads in the paper.

Mr. Colonna indicated that the power company felt back in July and August that their communications were not all they should be and they felt that they wanted to get more input from the public in advertisements they made and we have all seen those brochures in our bills. That was one of our concerns. Nobody paid attention to them. We are so fraught when we get the bill that we don't want to read anything, we just want to dispose of it as quickly as possible so they were not getting communication between them and the public. They had an idea that maybe if we had a consumer advisory panel not controlled by them of free thinking people that we would be able to communicate, and they do. As a matter of fact yesterday we were discussing some of our successes on the panel.

Mr. Colonna stated that the panel had only been existence since September but they have accomplished four things. The first thing they did as a panel was the fact that they kept using two and three colored brochures as stuffers. They were using expensive stock. We said why do you need this? They agreed and now the advertising department has been told you will use one color ink, black and white. That's it.

Mr. Schofield asked if that was passed on to the consumer.

Mr. Colonna stated yes it was. We did a little bit, but it's something. The second thing we brought to light in our investigations is the fact that the franchise fee is not a fee. It is a tax. We also brought to light the fact that the governmental agencies reap the benefits from this are reaping a "whirlwind tax". Every time a pass through comes along, 2-1/2% is added on to it, so we have had the City Manager and the Mayor of Reno in at one of our meetings and they are investigating the possibility of changing that structure some way to make it more equitable to us, instead of just hanging on to the coattails as the raises go through.

Mr. Prengaman asked if Mr. Colonna's group at all get into the real meat of this agency. Did you discuss the fact that this director that you want to be so consumer oriented and responsible

for 59 other people and quite a wide variety of functions from transportation regulations, regulation to audit - did you at all discuss that. Doesn't that seem to you to be a little inconsistent. On one hand you want somebody who is very oriented along one direction yet on the other hand in the plan you are advocating he is responsible for many different functions.

Mr. Colonna stated that he is responsible ultimately to the people and to the government, but his staff is still responsible to him and his staff of 59 people should be able to adequately cover the whole range. Do you think you would be able to find somebody that would be able to cover that whole range effectively? Somebody that would know transportation, gas and electric and telephones? I doubt that. Most people specialize in one field. If it be electric utilities, then they would specialize and be strong in that. I sincerely doubt you would be able to find anybody that would have that wide a range of expertise.

Mr. Prengaman stated that his point was if he was going to be able to spend that much time representing the consumer or is he going to be bogged down in the details of transportation regulation, engineering services, administrative services, audit and financial services? To me to advocate somebody who is consumer oriented, my particular idea is that you have to have a small staff and give them responsibilities in one or two area, like intervention, or something like that. I have a real problem with this plan. I don't see where this director is going to have the time to really devote to consumer issues. If he is the typical administrator, he is going to have a lot of other functions and services under his command that he is responsible for. Maybe that's a comment not a question.

Mr. Colonna stated that the same thing would apply if you had a small group representing the consumer. Where is their expertise? They have to pay for it then, don't they? They are not experts in all of those fields either. Mr. Colonna indicated that if they were representing him, what would the difference be if it were three or four people in another office, they still have to learn everything that the other side knows.

Mr. Prengaman stated that they would be representing him at the rate increase hearings and would not be involved in transportation regulations and all of the other functions.

Mr. Colonna stated to quote the Vice Chairman, "if you don't have the expertise, and you are going in on an emotional issue, what are you fighting? If you don't have the background and the back-up you are talking in a hollow tube.

Mr. Prengaman stated that he was not sure if they were talking on the same vane here. What I am saying is you have a small staff of three or four or seven people, whose job it is to represent consumers at rate increase hearings, that's their primary responsibility, that's what they are paid for and that's their responsibility, you then

staff that small staff with experts, economists, rate specialists, etc. That is their primary function. The plan that you are advocating, the director of that office, does not have that one primary function. He has nine or ten, in different areas.

Mr. Colonna stated that the primary function of the whole staff is to represent the consumer, isn't it?

Mr. Prengaman stated that he was not clear on that.

Mr. Colonna stated that that is what we were assuming and taking that assumption, they are mandated to represent the consumer, the whole staff represents us, then the director does not have to be technically oriented. If what you say is that he is not really representing the consumer, then you are right, you are 100% right. Then it's not going to be effective at all.

Mr. Jeffrey indicated that he agreed with Mr. Prengaman. The thing that concerns me with the plan is that we are getting into a lot of areas where there's not much public concern. If we face the facts, we are here hearing the Initiative Petition because of the energy problem and I think that is what we need to zero in on. I don't hear a lot of complaints from people as far as telephone costs are concerned. We don't find a lot of intervenors in those cases. We don't find a lot of people concerned about tow car operators, transportation generally, railroads, airlines and all of the things that the PSC can or does regulate and that's what is in this proposal. I think we need to be more concerned about what the public is really concerned about - energy costs. This plan, in my opinion, does nothing but change the rate setting structure. I think that as far as I am concerned, at least the thing that I had in mind, was a group of technically trained people to act as intervenors, kind of an oversight group, rather than the people that recommend rates to the commission and that's basically what we have here.

Mrs. Westall stated that she believed Mr. Jeffrey to be in error.

Mr. Jeffrey stated that he may be but that was his opinion.

Mr. Schofield asked if Mr. Colonna had ever been to a rate hearing. Personally, as a consumer, what was your reaction to that rate hearing?

Mr. Colonna stated that it's a very mysterious situation to begin with when they start off with prearranged questions and answers. I don't understand that, but it seems to me that if they have prearranged and read questions and prearranged and read answers why have the hearing. It seems to me that it is precluded that they are going to come to the bottom of the page and that is the answer. That's the impression I got and I may be wrong.

Mr. Schofield asked if there were any further questions of Mrs. Westall or Mr. Colonna.

Mrs. Westall stated that she had a lot more that she would like to say, but I would like to sit here since I am the sponsor of two of the bills.

Mr. John Eck of Southern Pacific Transportation Company testified next. The specific intent he believed of the Initiative which prompted AB 58 and AB 85 as well, was obviously directed at the gas and electric type utilities. He believed that he has been caught up in a circumstance that involve semantics and this has created kind of a problem. While N.R.S. 704 defines railroads as a utility, it is generally recognized that in fact they are not as they do not operate under a franchise as a monopoly as a utility does. It should be remembered that this statute was first enacted in 1919 when railroads quite possibly could have been considered a utility. During the February 4, 1981 meeting of this committee, there was no testimony from the public which indicated that the intent of the initiative was directed toward the railroad industry. In fact, the only mention made of rail or transportation matters was in response to Assemblyman Redelberger's question asking if other states consumer advocacy agencies entered into rail and transportation matters. I believe Dr. Schwartz indicated that their interest was minimal and their activities were generally not in that direction. The Interstate Commerce Commission is the primary and controlling agency among others for rail operations at the interstate level and Mr. Hardy who is Chairman of the Nevada Public Service Commission has indicated to me that there is really not much at the intrastate level that would come under the jurisdiction of the agency. Any areas where this would come under their jurisdiction they have adequate staff to handle it.

It is our belief that as a practical matter the railroad industry should not be included in the legislation now before you and we respectfully request that any reference to railroads be stricken from the bills. He asked the committee if they had any questions to clarify anything that he might have said.

Mr. Schofield stated that he believed that it was not anybody's intent to include railroads.

Mr. Eck stated that he believed it was a matter of semantics.

Mr. DuBois asked Mr. Eck if when they set their rates they are approved by the ICC.

Mr. Eck stated that the Interstate Commerce approves and investigates very thoroughly our interstate rates. At the intrastate level we do go before the Public Service Commission and for interstate purposes they have the jurisdiction over those rates.

Mr. DuBois asked if they have had any friction with the freight customers?

Mr. Eck stated no. There are many many avenues open to the public. As a matter of fact I would say that the Interstate Commerce Commission is probably the biggest consumer advocate we've got in the United States. The trials and tribulations we go through in rate hearings before the ICC, you don't know what regulations are. These guys have it all.

Mr. DuBois asked if there was discussion at the present time, is the ICC one of the regulatory agencies of the federal government.

Mr. Eck stated yes it is the regulatory agency.

Mr. Eck further stated that they are trying to smooth out their operations at the present time and that it was so cumbersome at this present time that sometimes it takes as long as four and five years to get a rate through and what they are trying to do is smooth out the operations. It is generally recognized that the railroad industry is falling far behind in their rate of return and they are trying to move the regulations along so that it can smooth out the process so that we can at least keep some where near the lag time that is going on now. It's gotten too far behind and we can't keep up.

Mrs. Westall asked if she could go to the blackboard and hopefully make things a little bit more clear. Mrs. Westall drew a diagram depicting the basic difference between A.B. 85 and A.B. 58. Mrs. Westall indicated that A.B. 58 is major surgery and A.B. 85 is minor. She stated that she would be happy with either of them as long as the agency that is created for the consumer does the job of protecting him in the major areas of his life which is the utilities. He is affected by the railroads, he is affected by the telephones so it does not hurt to put the whole thing in. She believed it would work better and that it would be more efficient and less of a cost and the PSC act as a judge.

Mrs. Westall indicated that the newspapers stated that she wanted an investigative agency, but that was not the case. That's only one of the things they would be doing. We have to have a well-rounded staff. We have to have an expert consumer-oriented person and I am not talking about a layman. There are people who look at the consumer side only. We have to have economists. We have to have engineers. We have to have a well-rounded staff to look at all of the facts. I am not out to cut anybody's head off. We have to have the utilities and they have to have a profit, but the consumer has to be able to afford to live and this is an integral part of the living. They have to have it. There is no two ways about it. This is the reason for the monopoly, to be sure that the consumer has the services that they need and to see that the utilities aren't going to go under. They have to make a profit, and I think this is the vehicle to do so.

Mr. Craddock stated that what he was grappling for is maybe more than we should be looking for at this point in time. How would you secure a person to fill this spot.

Mrs. Westall pointed out that she was still researching this point and indicated that she was still waiting for information from several areas. She stated that she was not sure in her own mind whether the director should be an attorney with administrative ability or an administrator and put the attorney and the consumer expert under him directly. She stated that as the Chairman of the Ways and Means Subcommittee and that this is what she was researching now. We will be making up a budget for all three of the proposals, but it will be very difficult until you make some sort of a decision as to the way you want to go and she was not sure which one comes first. You may not know which way you want to know until you know the cost that's involved so this is why I will be working with Mr. Mello and his committee to determine the best way to go.

Mr. DuBois asked if in Mrs. Westall's chart she was referring to consumers.

Mrs. Westall stated that she thought by law that we had to leave it for all of the customers. I think that it would probably be ruled illegal or unconstitutional or something if we made a distinction.

Mr. DuBois asked who would represent the small business man?

Mrs Westall stated that the entire agency would.

Mr. Schofield stated that he did not think that you can separate them.

Mrs. Westall stated that she favored A.B. 58 over the initiative is the fact that they will be looking at far more than the rates. One of the reasons for the rates is the fact that they are building more and more of the plants. The initiative would not be able to look into these areas. They would be able to look into rates only. You have to allow a rate to cover what you have authorized so it has to go much deeper than the rates only. That is the reason A.B. 58 is as large as it is. It has to cover a large area.

Mr. Nicholas asked that Mrs. Westall clarify if it is his correct understanding that AB 58 better fulfills a promise of your visual aid better than A.B. 85?

Mrs. Westall stated yes and that neither of them are complete.

Mr. Chuck King of Central Telephone Company, Southern Nevada, testified next. He stated that at this time he was not prepared to give the committee his full blown testimony and recommendations but he does want to address the consumer oriented agency and give them his thoughts as to what type of person and staff that you need.

He stated that he felt that we needed someone with expertise who could analyze the items that the staff has recommended in several areas. One area is depreciation - the method of depreciation. When you look at a telephone company you are looking at how to depreciate their type of switching company. Central Telephone has cross-bar switching equipment, it has motor switch, it has the electronic analog type electronic and it has the new digital and you have to be able to determine is this being depreciated correctly and you look at the telephone poles and you have about 15 different types of PBX switching equipment and other ancillary type equipment. When it gets down to the bottom line you have to be able to analyze has this been depreciated at the correct rate and the plant that will be left over, will that be what that utility is going to use for its rate of return on there. We have an excess of \$300,000,000 in plant. Next would be the legitimacy of expenses. Our expenses run \$25,000,000 to \$50,000,000 and this person needs to analyze is this something that should be accepted. Then another very important thing is the productivity of the utility. Are they getting the correct productivity or are they not being wasteful.

The utility needs to finance their growth and they need to finance the growth for that proper time period. And again you are analyzing are they building plants that are needed for the future and not too far in the future. Our plant budget this year will be in excess of \$50,000,000 and it takes quite a bit of start of time to build. A central office takes us about two years to build from the time we need to place another switching office somewhere until the time that office is turned up. So if we were not able to get the proper rate of return to be able to finance this, we might come into a situation where we have customers that are needing service and we have not been able to build for it.

To get down to the bottom of it, we have to find out the reasonableness of the rate of return and at different time periods the rate of return needs to be higher because of the cost of money and we are in a period of high cost of money right now. So the bottom line again is analysis. Someone that can analyze these things and has the expertise to look at these things and see if they are reasonable.

Mr. Redelsperger asked if they had a consumer advocate that looked into these plans before construction how detailed would that be and would it delay the construction of those plants and with building materials and costs of labor going up 13 to 15% a year, would it in turn cost the consumer in the long run.

Mrs. Westall stated that no there should not be a delay and yes it would be a deep analysis but these things would be done way ahead of time. Do we have a need for more of the plants and that's the reason for the ongoing agency so that they are always up on what the needs are. They may want to ask for the plant. This is the reason that you have to have the expertise that I want in it in all of the fields, the technical as well as consumer oriented.

It has to be a well-rounded staff.

Mr. Jeffrey asked Mr. King what kind of lag time did they have now. I admit I have not been involved with the telephone company to the extent that I have with the power company. Do you have a problem with lag time now with the Public Service Commission as far as building a new plant? Does it hold you up at this time?

Mr. King stated that he would say it does not hold them up at this time and he is really looking at a different construction of the PSC in the way that it might hold us up.

Mr. Jeffrey asked if Mr. King thought that it may hold them up?

Mr. King stated yes. He stated that they were in a very fortunate situation. We have not had received a major rate increase since 1964 and there are a lot of things that affect us that don't affect the power and gas utilities and I will go much deeper into that when I testify Monday.

Mrs. Westall asked if she could have a clarification of what Mr. King said. She stated that she wondered if he was speaking of holding you up for the increase that you are asking for now or are you thinking on a long term basis that it would hold you up every time.

Mr. King stated that he was thinking on a long term basis.

Mrs. Westall stated that she did not understand that.

Mr. King stated that that was why he wanted to get into this much deeper when they went ahead and applied for new products when they need relief at that time.

Mrs. Westall asked what the difference was whether the PSC handled it or whether the agency handled it. It is the same thing.

Mr. King stated that on one of the bills it might be handled twice and the period of time that it would take for the staff to go ahead and look at it, make the recommendations and then come to the consumer advocate group and then take the time lag because they may have six or seven or other rate matters to be looking at and that would put you back even further in time.

Mrs. Westall stated that it seemed to her that that was the way it was now.

Mr. Craddock stated that something that bothered him was that maybe there were also provisions for litigation here. He stated that there was an additional chance for litigation.

Mrs. Westall asked if the people should do without the right.

Mr. Craddock stated that he understood what they were talking about

to be lag time. Mr. Jeffrey brought this up. The lag time could be extended.

Mr. Jeffrey stated that lag time is important. Mr. Jeffrey stated that as much as he hated to say it the costs do increase substantially every month. Mr. Jeffrey stated that he was not saying that we should not be getting into that area but that he thought we should be careful.

Mr. Schofield asked if there were any further questions of Mr. King.

Mr. Schofield asked if there was anyone else who would like to testify and announced that there would be a joint meeting on Monday. He further stated that at this particular time he believed that Mr. Hohmann was to testify. He stated that Mr. Hohmann has put together an analysis of the bill for the committee and Mr. Schofield asked that Mr. Hohmann be reached to explain the analysis to the committee.

Mr. Schofield announced that the committee would take a short recess. The committee recessed at 9:00 A.M.

Mr. Schofield called the committee back to order at 9:15 A.M. Mr. Schofield indicated that he had asked Mr. Hohmann to explain the analysis that he put together on A.B. 58.

Mr. Sam Hohmann of the Legislative Counsel Bureau, Research Division testified next. Mr. Hohmann distributed a Memorandum dated February 9, 1981, an Analysis of Assembly Bill 58, which is attached to the minutes of this meeting as EXHIBIT A.

Mr. Hohmann indicated that what he would do would be to go through what he has discussed in the analysis.

Mr. Hohmann stated that as most of us are aware at this point, the background for this legislation is the whole issue of increasing utility rates. There was an interim study subcommittee that looked at this issue and recommended legislation similar to the governor's proposal which is AB 58, but not as comprehensive as that, and that's been introduced as AB 85.

Mr. Hohmann proceeded to review the analysis of Assembly Bill 58 for the committee.

Mr. DuBois asked if this bill permitted the consumer advocate to commence an investigation and hearings on rate cases or do they only intervene in rate cases which are filed?

Mr. Hohmann stated that they can petition the complaint regarding one of the findings of one of the orders adopted by the commission. In other words if the commission has a rate request before it and it makes a decision on that rate request and perhaps this consumer agency has been involved in that whole process and the consumer representative agency is not satisfied with the decision made by the commission, they can appeal that decision by their own initiation.

Mr. DuBois stated that they cannot initiate an investigation on their own.

Mrs. Westall asked if she could answer Mr. DuBois' question. They are to be able to initiate the investigation themselves without asking anyone. After they have the findings then they can also ask for a hearing from the PSC, they can petition the PSC to have a hearing but they don't have to ask them if they may investigate. They do that on their own.

Mr. DuBois stated that as he understood the bill, the PSC cannot represent themselves, it cannot defend their decision.

Mr. Hohmann stated that he was not personally clear on that language. It is stated in here, but I don't really understand the legal ramifications. There are a couple of sections that exempt the Public Service Commission from involvement in judicial proceedings.

Mr. DuBois stated that as he read it, the PSC cannot be in court proceedings.

Mrs. Westall stated that AB 58 takes the PSC out of that role. AB 85 does not.

Mr. Schofield stated that perhaps Mr. Heber Hardy, Chairman of the Public Service Commission could comment on that point.

Mr. Hardy stated that the bill provides that in any appeal from a decision of the commission the commission itself would not be a party to court action. But the commission would still have the power to go to court for civil penalties, or to defend itself in actions other than its decision, and that would be through the Attorney General's Office. We are only limited by the bill in participating in appeals from our orders.

Mr. Craddock stated that he thought that Jack (Jeffrey) made a point earlier that we are really talking about problems affecting power rates. I think we should also bear in mind that most anything we say about utilities which we may be thinking in terms of power rates I think also has to be considered in light of all of the other utilities because of the Initiative Petition. I think that becomes a viable part of the whole operation. I think all utilities will be covered under AB 58.

Mr. Hardy stated that all utilities would be covered under AB 58.

Mr. Craddock asked Mr. Hardy how many hearings they had over the last year.

Mr. Hardy stated that he did not have that with him but he would obtain it.

This information is attached to the minutes of this meeting as EXHIBIT B.

Mr. Craddock stated that there were so many things that we are really looking at.

Mr. Heber Hardy asked if he could make one point of clarification with regard to providing for new jurisdiction with regard to safety and warehouse permit applications and that he did not believe that that was true.

Mr. Hardy stated that they have current jurisdiction and he does not know where Mr. Hohmann got the idea that it was new jurisdiction that we are asking for, but in other bills we are asking for the authority to be extended for the commission or the agency, which ever way it comes out to include pipeline safety within mobil home parks, for instance, but it's not in this bill. Mr. Hardy stated that it was not intended to be there and if it is there maybe he had better be advised so that he can correct it.

Mr. Hohmann indicated that what he had marked is Section 90. It has to do with investigation of warehouse permit applications.

Mr. Hardy stated that he would represent that all that is intended to do is to give the agency the power to investigate and make recommendations to the commission. We already have the jurisdiction.

Mr. Hohmann asked if the commission staff did that currently.

Mr. Hardy indicated that they could do that currently. He stated that they do it currently in a very minimal way.

Mr. Hohmann stated that he would simply qualify that and that there was simply new language for statute.

Mr. Hardy stated that that was correct that there was new language, but that it does not change the substance of their current jurisdiction.

Mr. May stated that he read that the same way that Sam (Hohmann) did. He stated what he thought he had just heard was that you had adopted 233(b) regulations governing these new subjects, but those regulations were not previously found in NRS.

Mr. Hardy stated that they still would not be found in NRS.

Mr. May stated that by adding this language then they become a part of NRS.

Mr. Hardy stated that it would clarify that the new agency would have the enforcement responsibility and jurisdiction in pipeline safety as well as investigation of warehouse permits. Right now they do have that and I am not certain - I am not sure whether it is Mr. Daykin's requirement that a new section, as opposed to amending old,

I am not really certain. From our point of view, Mr. Hardy stated, there is certainly no intent to add any jurisdiction by these particular sections. It is merely to clarify the role of the new agency and enforcement responsibilities.

Mr. May asked Mr. Hardy if the employees of the Public Service Commission were classified or unclassified. Mr. Hardy stated that they were classified. Clerical employees under our budget proposal to implement AB 58 still remain classified.

Mr. May stated on page 2, line 26, the director of the agency shall not appoint such clerical personnel, experts, etc. that may be necessary. . . Mr. May further stated that he would interpret the word appoint as being in the unclassified. On line 29, it refers to employees in the unclassified service of the state . . .

Mr. Hardy stated that he believed that you have to read section 3 too, subparagraph 3. He stated that section 2 relates to those in classified service.

Mr. May asked what the word appoint meant.

Mr. Hardy stated that they appoint now, but they go through the classified personnel process to make that appointment. We appoint classified as well as unclassified. It is a different procedure how you go about arriving at the appointments.

Dr. David Schwartz testified next. There are just a few critical points that were discussed this morning that I would like to address. One, with respect to Mr. Colonna's statement that the Citizens Advisory Panel in their examination looked at the three states in which the governor's plan has been modeled and found that they work more effectively than was true in terms of the 22 states in which the attorney general's office was responsible for consumer representation, I think I testified to a small extent on this point last week. Those states obviously are the model for the governor's plan are North Carolina, Minnesota and Delaware. I am not going to reiterate what I said to North Carolina, but I do want to point out that in my discussions with members of the public staff they did point to the difficulties with the executive director being appointed by the governor. In one instance, a member of that public staff wanted to put in testimony and he was advised not to because he felt it would be embarrassing to the governor and that he indicated that there was a problem in the public staff making the transition as being a staff member whose function essentially was to balance the presentation of all the various interests to that of being an exclusive consumer representative and I want to reiterate those points.

In addition, I pointed out that in Minnesota that my discussion with a member of the chairman's staff, that he indicated that in fact the Department of Public Services performed the same function now that the commission staff did in terms of the balancing role and that they represented the broader public interest and did not represent a consumer

advocate's role; that it was the office of consumer services which was an independent office which represents the consumers in Minnesota, so in fact this is a major difference with respect to the role performed by the new public staff in Minnesota, whose function primarily is representative of the commission's function, and the commission's staff, rather than the consumer's function. Lastly, with regard to Delaware, it is such a small office - there are six people, there are two attorneys and four technical people - with a relatively small budget and you can find out on table 1 of my statement, that they really haven't had much of an impact in terms of direct consumer savings so I would contend that in fact these are not good models for a consumer advocacy office, and that I would also contend that when we look to the work of the attorney general's office in Michigan, in Arkansas and in Massachusetts, that they have functioned very effectively and so I would take strong exception to what Mr. Colonna said this morning.

I would like to make one other comment with regard to his confusion in the attending of the commission hearing and he said that you have prefiled testimony that had the questions and answers and he didn't see why in fact you would have to hold a hearing and I would like to relate that to the discussion that went on. I believe Mr. Craddock did raise the issue - what type of person should head the consumer advocacy office. Should it be someone who more or less is a consumer affairs advocate or should he be a technical person - someone who has a sensitivity to consumers as a group and the problems that they confront or should he really be someone who has the technical expertise to direct the office in these very specific, very complex issues. I would like to say that I don't see that there's a fundamental conflict in trying to get an individual who can do both. That is, have a real identification with the consumer's interest as a rate paying group, but also have the expertise so that in fact he can function with the specialized knowledge that is required to address complex issues and I would say that the reason that Mr. Colonna was confused in the question and answer aspect of prefiled testimony is that he doesn't realize that what happens is that based upon that prefiled testimony with the underlying assumptions that go into a cost of service and all the specifics that relate to operating expenses and rate base and all of the other considerations, that because you prefile it, it does not therefore provide you with an antiseptic presentation. All it does is provide you with the predicate for a very controversial involved cross-examination as to the basis for that evidentiary presentation. This to me illustrates the need for a very technically oriented individual. Assemblyman Craddock said what type of person would you have in this office. Where would he come from? I would recommend that we get someone who has been doing this work all these years. I have been working with people in the attorney general's office in New Mexico and I have been working with a representative of Consumer Groups in Colorado, and I would recommend we get people who have been involved at the commission level who understand the technical issues, who have the background and experience in rate making proceedings to head that office and I also would recommend that he be an attorney. This may be a betrayal of my own profession - I do not

think you should get anyone other than an attorney, because the nature of issues before the commission primarily are in a litigated context and you need someone with that expertise in order to fulfill the necessary protective role of the consumer.

I have a certain amount of reservation with taking exception to Assemblywoman Westall's observation that AB 58 is superior to the initiative because in fact the initiative does not allow for an examination of new construction and it only goes to rates. I would refer you to section 1 of the Initiative which specifically says that the division of consumer advocacy shall review all applications filed with the PSC of Nevada by all electric, natural gas, water and telephone utilities proposing changes in rates, construction of utility facilities or regulations which may affect rates or construction of utility facilities.

I foresee that in fact that would be a very critical role for the consumer advocate's office under the initiative and I do agree with her wholeheartedly that the potential biggest savings for consumers is to examine applications for new construction, because to the degree that we can avoid new construction through interconnection and coordination, pooling arrangements, to the degree that we can have load leveling through load management which in fact will not require additional peaking capacity, to that degree can we save very significant amounts of rate increases.

I will now turn to a couple of comments made by other witnesses this morning. With regard to the statement made by Mr. Eck and relative to his interpretation of my testimony last week, he is absolutely correct in every regard and the initiative does not provide for any regulation of railroads and it should not, because the ICC does have primary jurisdiction over railroads. In the early Shreveport case in 1908, the ICC asserted its authority over intrastate rates and at that point the ICC does control and it would be a waste of time and energy in fact to try to regulate the railroads and I think that in fact that particular function should be deleted.

With regard to the comments made by Mr. King of Central Telephone, he did indicate that there was no increase filed for since 1964. I think we have to make the assumption that if in fact that their earnings level was deficient that he should have filed for rate increases, and would have; if not, they would be derelict to their duties to stockholders. So I have to assume that in fact their rates of return were adequate and let me make one other additional point, that the telephone industry, unlike all other utility areas, and this may be a blessing, and it is a blessing, is a declining cost industry and not an increasing cost industry. With the introduction of electronic switching they are reducing their costs and handle a much larger number of calls than they did previously. Going to microwave rather than cable, going to lasers in the future, they will still continue to be a decreasing cost industry. In light of those facts they have been fortunate enough to sustain their earnings levels without rate increases, so I don't think this is a happenstance in terms of a rather generous view on the part of the

telephone company not to come in for rate increases. I just think it reflects the fortunate nature of communications as a declining cost industry against electric utility and gas and other utility areas which are increasing cost industries.

One final point with regard to this whole question of the bill and the fact that what it really does is shift over a lot of the responsibilities of the commission.

The fundamental issue is whether or not a consumer advocate's office should be performing these commission functions of enforcement and complaint investigation and should not the commission remain in tact and do their job and do it more effectively and should not a consumer advocate's office have a sharp and very explicit focus relative to representation at the energy level, primarily gas, electric, telephone and water in representing the consumer's very unique and explicit interest and keeping the cost down to consumers as a rate paying group? I think one of my major concerns is that if we defuse the efforts of a consumer advocate's office, there are three primary deficits. One is the fact that you are going to get a lot of your effort into the enforcement complaint side and it will draw staff away from the role of rate making procedures in an effort to keep rates down. Second, I think that what happens is that you get a much larger bureaucratic setting than we have proposed, which is a small, very effective and very professional staff of experts. Thirdly, I think one of the difficulties is that you will not get the type of strong, hard-hitting and sharply focused representation which I think the initiative provides the opportunity for.

Mr. Redelsperger asked if Dr. Schwartz could give the committee some background on George and on Missouri. I see that Missouri has about 15 employees and a budget of about \$441,000. If you could give us a little run down on both of those states, I would appreciate it.

Dr. Schwartz stated that he knew the Missouri situation better than Georgia because I was in Missouri a couple of years ago and did meet with Bibb Barvick. I was really there on a special assignment to work with the members of the Missouri commission on the study that I was conducting but I did talk with Mr. Barvick and he was in effect telling me that their role before the Missouri commission was a very active one, but very selective. He said that they look to those increases where there are very major amounts of money involved. In one instance it really went to a fundamental issue of a fuel adjustment cost. They did take the commission to court and actually reversed the commission. It's a relatively small office and the day I actually interviewed Barvick, his chief economist had just come on and it was his first day at work. His name is Stephen Adnerson. He had just come from a small school in upper New York State and had taught public utility economics and trained in public utility economics prior to his teaching assignment.

Mr. Redelsperger asked Dr. Schwartz if he had the figures as to how much they saved the consumers?

Dr. Schwartz stated that he showed those figures on table 5. It's on page 17(a). If you look at the specific proceedings, you will see that the first number 79- indicates the year, so they were in 1979/1980 and these savings were close to about \$6.5 million dollars for the Missouri commission. There is one additional on page 17(c) where the result of taking the commission to court and getting the commission reversed on the automatic fuel adjustment clause, resulted in a refund of \$14,000,000. This happens to be a very active, very alert, very effective public counsel. The Georgia situation I am really not as familiar with. I haven't talked to the people there and all I have done is provided some information for you as to some of the savings that they have affected. I really don't have enough information to address the Georgia situation.

Mr. DuBois asked Dr. Schwartz if when he said savings, was he referring to the amount of the filing less what the PSC actually allows.

Dr. Schwartz stated that he was referring to and the savings that he showed in the table were direct savings due to the work of the Consumer Advocacy staff, which are over and above what the staff of the commission recommended. As you recall, last week I tried to make the distinction between direct savings and joint or shared savings. The shared or joint savings were when they went in with the staff and in effect recommended a reduction over what the company was proposing and they shared that. But the direct savings that I am talking about here when I talked about the \$6.5 million and the \$14,000,000 are due exclusively to the work of the consumer advocate's office. They are over and above what the staff has recommended and found by the commission to be valid.

Mr. DuBois stated that in the charts somewhere the committee had some figures which showed that the Public Service Commission of Nevada had allowed the figure of 50% of the filings which could be about 42%.

Dr. Schwartz stated that no that was not correct. Those are two different measures entirely. What you are alluding to is the company comes in and files \$100,000,000 increase and this is just for illustration. The commission permits \$58,000,000, so at that point the \$42,000,000 of the 42% becomes the reduction in what the commission granted the company relative to what they filed for. That is not what these savings represent at all. What these savings represent are the following. The company comes in and files for \$100,000,000. The commission grants \$58,000,000, let's say. The staff may have said give them \$60,000,000 and the consumer advocate said give them \$58,000,000. The commission held with the consumer advocate's staff and at that point that would be the difference between what the staff recommended - the \$60,000,000 - and the \$58,000,000 - or the \$2,000,000 would be the direct savings. That's the measure that I have used here.

Mr. DuBois asked if there were any consumer advocate offices that limited or focused their activity to energy or to primarily gas and electric rates?

Dr. Schwartz indicated not really. The initiative has really handled the four key areas. Telephone is still important. While it is a declining cost industry most of those impacts are on long distance tolls rather than on exchange - local exchange. I think these are the more traditional areas where you would want consumer protection. Electric, gas, telephone and water. I think the transport side will eliminate your efforts if you obligate the staff to go into motor carrier and transport, warehousing, operators. I think it is just a defusion where the major impacts on the consumers really are in these four key areas in terms of utility operation.

Mr. DuBois asked if the initiative limited it to the four areas.

Dr. Schwartz stated that yes it does. It is explicit in the initiative in Section 1.

Mr. DuBois asked if that was one of the basic advantages of the initiative in Dr. Schwartz' view?

Dr. Schwartz stated that yes it would.

Mr. Craddock asked if there had been any attempt made to determine what the reduced capital available for the utility companies would have done by way of increased costs of capital improvements?

Dr. Schwartz stated that he would like to draw the distinction between a rate reduction being reduced capital as over against reduced revenues. What it is is a reduction in revenues over what the company had requested and what the staff had recommended. Capital is the specific funds that are raised by the utility when it goes into the market. It could be debt funds, it could be preferred - funds from floating preferred stock, it could be funds from floating equity. In these states, as far as I'm aware, these utilities have been able to go out and raise capital.

Mr. Craddock stated that he had never specifically tied down where all of this money was taken from. I simply asked if there was any information on the portion of it that could have been considered to have recruitment money for future projects. So it may have been profit that the shareholders got. I want to find out if anyone else has.

Dr. Schwartz stated that what happens is that when the commission made a determination, what there were were fewer revenue dollars than what the company had filed for and what the staff had recommended and relative to what the consumer advocate had recommended and the commission found that it would cover the costs of the operation of the firm and also provide a fair rate of return. That's the predicate for the commission's determination. The revenue flow that does result from the commission's rates at

that point usually becomes part of your general funds. You don't earmark dollars. Those funds are then used by the utility for a whole range of considerations, whether it is new construction, meeting a payroll, materials and supplies, and a whole welter of needs for the firm. So I don't think there is any way really of tagging dollar for dollar relative to the revenues that were approved by the commission.

Mr. May asked Dr. Schwartz if in his experience as a consultant, and certainly his expert witness access, if in any area that he has served or have been exposed to, has this consumer advocate ever gone beyond what is outlined in here to advocate use of solar and/or renewable resources other than to propose or make sure that the uses other than proposed are held to a minimum, at the best prices.

Dr. Schwartz stated that in his experience and work with the consumer advocates you have to realize that there are two critical points here. One is that you have relatively small staffs and, two, the immediate need is to find some relief for these very massive rate increases. So that's their primary function, I would assume, and the third point that is quite relevant is that these are relatively new offices. They emerged after the embargo and the impact of higher cost oil and the follow through effect of higher cost fuel after 1973. Most of these offices were set up in 1974/1975 and some even later than that, so they really haven't gotten the seasoning to go into an array of problems that are very basic and fundamental in their impact relative to utility costs. I have done work with the Oregon National Laboratories as a consultant to them on looking at the whole issue of alternative energy supplies and we are looking at district heat and we are looking at solar and co-generation and a lot of other things. I would think over time that the focus that you just indicated - how can a consumer advocate office begin to address lower cost alternative to conventional fossil fuel generation - how can they perform their role as a consumer advocate in trying to minimize costs and rate increases by looking at alternative fuels and alternative sources of energy as a basic obligation and responsibility given their obligation as a consumer advocate to keep rates down. I think in time that will come, but it has not come as of this time because of their more immediate need to try to in effect grab the lifeline and find a way of holding down immediate rates given the present mix of factors that are influencing rates. You are really talking about can we change that mix over time, whether it is solar, geothermal or a whole range of other alternative fuels.

Mr. May asked whether the advocate should become involved in that type of activity.

Dr. Schwartz stated that he certainly did recommend and hoped and wished over them that they would. That takes another type of expertise. It's

not your accountant who is familiar with cost of service, it's not your rate of return expert who is an expert in finance and problems of that nature, it's not your economist who is looking at rate design and issues that go to economic impact, so right now the consumer advocate's perview is quite immediate and fixed on these more immediate rate-making processes, but over time I think he will have to reach into the very area that you have discussed.

Mr. Heber Hardy of the Public Service Commission testified next. He stated that he did not intend to testify because he understood it was to be primarily for those that had not had the opportunity before, but he would like the opportunity of agreeing with Dr. Schwartz on a few points but re-directing his conclusions. He made comments about the North Carolina Commission being concerned that the governor would have some control, or potential control, over an appointee of the governor in attempting to possibly influence who the witness should be and that sort of thing. I would call to your attention that under the initiative petition that the attorney general has the power to appoint with the approval of the legislature, but the sole power to fire. That's a tremendous amount of power in the political office of attorney general. I don't think you can say that attorney generals are any more or less political than governors. I think you would have to say that probably they are equal, so the potential for that sort of a problem is clearly there with the initiative petition. I agree wholeheartedly with Dr. Schwartz - where are you going to get people to staff consumer advocate offices - you are going to get them from the people who have the experience, and some of the information I have is they get them to a large extent from Public Service Commission staffs because they are the people that have the experience. I am suggesting that if you want the real expertise and I agree with Dr. Schwartz wholeheartedly - he says you should get people who have been doing the work, who have the background, who have the technical issues in mind and that's exactly where the best expertise is and that's where the best dollars could be spent in representing for the consumer. He expressed a serious concern about diluting the efforts of this group where they would not be focusing on specific single issue type things such as consumer advocate offices may be. I have no quarrel with consumer advocate groups or any special interest group coming in to propose, propound or give presentations on single issues. I think it is a healthy thing. But should the public fund that sort of an agency on the single issue approach?

I suggest that railroads be left out and we do not have much jurisdiction in railroads because we have so little intra-state involvement - that's true - but water companies certainly are a serious problem to a lot of people. Water companies, I have to be reminded as I am not sure they are in this bill - I did not think so, in the initiative petition. They are? Okay. I stand corrected on that one then. But there definitely are other areas which should be addressed in all areas and transportation is important. You ought to be in some of our transportation hearings,

particularly involving the transit authority. If you don't think the public is really concerned about those sorts of issues. So what you are doing in some minor way, is taking funds from certain rate payers, and in some cases applying them toward the efforts towards those who would not necessarily benefit.

Missouri was cited as a good example of the type of thing that an advocate office is doing. I would like to call to your attention some information I received and I would indicate that it is of a hearsay nature, which I think all of the information we have received is, but if you think it is important to make comparison of those states, and I am not sure how important that is, by the way, I think you ought to look at our own state and the merits of one plan opposed to another plan, our particular problems, you ought to be taking a look at is there fat in public utilities right now which could result in millions of savings for public utilities. These are the kind of questions I think are far more important than making comparisons with other states, because I think you will find people who get on one side of the issue because that's the way they are oriented and people get on the other side of the issue. Missouri, we have information as of last January 26, 1981, public counsel resigned under fire, because of flack before hearings of legislature as to whether or not he was doing the job he was intended to do. I also have information that both of the accountants have left, not only an engineer who is new in the service remains in service. We have information from staff of the Public Service Commission in Missouri that they are dumbfounded that Missouri is being cited as a good case for a consumer advocate office.

I simply recommend that if that is of concern to you, then I suggest you check with the State of Missouri. I don't think it ought to be a primary issue, making comparisons, but nevertheless if it is a concern, I suggest you check. Information we have is testimony at hearings indicate serious consideration being given to disbanding the office or at least cutting it back severely. By the way, in that state, that man is appointed by the governor, according to our information. It is funded out of general funds, not out of assessments on public utilities. There is also legislation in Missouri to separate the PSC and the staff. I don't know whether in the exact form that we are talking about, but in that general approach.

Again, I simply don't want you to give much credit to what I have just told you. I am simply just suggesting that if you feel that is a serious concern, check. See if some of these things might be true. It depends upon whom you talk to - what side of the fence you are on. These things I think are rather important. Again, I would stress, if it a serious concern whether or not there is a vast amount of savings, I heard figures of hundreds of millions of dollars in the newspaper - I think the newspaper must have misquoted Mr. Barbano because he certainly wouldn't, I don't think testify under oath.

Mr. Barbano interjected that that was just what he said.

Mr. Hardy stated that he did not think Mr. Barbano would testify under oath that there is potential for hundreds of millions of dollars of savings in the State of Nevada.

Mr. Barbano stated that he would say it again.

Mr. Hardy indicated that he would like to know where he is going to find them. That's my point.

Mr. Hardy stated that he could not help but agree with Dr. Schwartz, but to redirect the conclusion.

Mr. Redelsperger asked if he had any information on Indiana and Georgia also. He stated that the reason he was getting into this is we have two alternatives here and I am just looking at other areas. We really haven't gotten into the independent agencies at all and how they operate and how the director is appointed. Do you have any information on Indiana and Georgia, both of which have independent agencies?

Mr. Hardy stated that his sole personal involvement is to look at agencies such as North Carolina and he gave his total research into the area the other day in testimony because of the possible proposal of going to separating our staff from us. It was a serious concern to me so I took the point to go to that North Carolina Commission to see how it operates and to talk to the people there involved and see if they had any major problems with it. I had some personal reservations myself about this sort of thing. I became satisfied after talking to a number of people, not just the heads of the agencies, but also some staff people which I did not mention today. Full assurance in my mind that this is not going to be committing hari-kari that it is an appropriate and a proper way to go to give the consumer the best possible representation in all areas of concern and not in single issue, high visibility areas which I think is the area which a small consumer advocate office would have to of necessity, gear itself toward. So I cannot tell you about Indiana or Georgia. I think it is almost meaningless to get it on paper whether by the governor or by the attorney general or whatever, there are some possible alternatives, if you have concern for having a person appointed by the governor or the attorney general. Maybe you ought to give consideration to letting the attorney general, the governor and the legislative officer combine and let the highway board appoint the director, or some other alternative if that is a major problem as to where it is located. The highway board does the same thing right now for the Department of Sanitation in the State of Nevada. It is an ex officio office, that is, rather than individual. I simply throw that out - I don't have any idea whether that would work, but there seems to be serious concern about whether it be the governor or the attorney general. I am suggesting that maybe we could de-politicize it by some alternate approach as to who should appoint.

Mr. Redelsperger stated that if he would resign under fire from the legislature, he would resign under fire from the Governor or the Attorney General also.

Mr. Hardy stated that that was right. Maybe a legislative officer could take some of that meat and share it with us.

Mr. Schofield stated that he personally felt that it was incumbent upon us to look at these other states. The ones that have actually had the experience and have a track record developed as to what approach that they use - what their objectives were, whether they accomplished their objectives. I think it is very important that we look at some of these because I guess you could look at us as being inexperienced in this area.

Mr. Hardy stated that he was suggesting that that ought not to be the primary and major focus however. It should give you some ideas. I think you should look at the merits of what is required in our own state. I think you find some favorable either way.

Mr. DuBois stated to kind of follow up with Mr. May's statement, with the increases in oil that has now been deregulated, natural gas further deregulations down the road, coal is going up even more than oil, don't you really feel that the crucial point in reducing consumer rates will lie in what a consumer advocate can do in the area of enforcing and encouraging community conservation? California, for instance, with their rule on solar water heating.

Mr. Hardy stated that he failed to see where a consumer advocate office or the AB 58 would have a tremendous amount of impact in the near future in the area you are talking about. I think you are talking about legislation -

Mr. DuBois stated that he was talking about the office of consumer advocate. Should they not be basically concerned with enforcing energy conservation which is really ultimately the only way to bring down the rates?

Mr. Hardy stated that he failed to see where either AB 58 or the initiative petition would have a dramatic impact in that area. I think you are talking about legislation which would give incentive for people to build solar homes. I think you are talking about possibly as far as representation before the commission, maybe of rules and regulations which would be incentives or credits in this particular area. As Dr. Schwartz pointed out if you get very heavily involved in this area a consumer advocate office would have to have substantial expertise and possibly different expertise than what would be envisioned in a small office starting as proposed by the initiative petition. You'd have to have additional expertise.

Mr. DuBois stated that he realized that but shouldn't that be in that office?

Mr. Hardy stated that he thought that was up to them to propose.

He further stated that this was an area that had to be addressed and is being addressed in current hearings. We are getting into different proposals to - well I should say in a residential conservation program hearings in a joint effort with the Department of Energy of the State of Nevada. I think the Department of Energy should play the lead role in making proposals as to how we can accomplish conservation as well as the utilities - they should be in a lead role. I think certainly our staff should be in a supportive relief role as well. I think there is a greater potential for that in a staff who has the interest of the consumers at heart - that has much more professional expertise than a small consumer advocate office who is looking at single high visibility issues.

Mr. Prengaman stated that he was looking at a chart of rate cases for the last twelve months presented by John Capone in his testimony on February 4, 1981.

Mr. Hardy stated that he had cause to prepare this for him.

Mr. Prengaman stated that looking at the percentages in the chart, it appears to me that on a regular basis the PSC is recommending a rate increase double the amount - over double the amount - that it's own staff recommends.

Mr. Hardy asked if it was recommending or if this was its decision.

Mr. Prengaman stated that it was its decision. He stated that the PSC was granting on a regular basis, over twice the amount of rate increases that its own staff is recommending. Now taking that logic and transferring that staff into a new agency which is already being reversed regularly, how is that going to - what is going to change with AB 58 given this situation right here.

Mr. Hardy stated that he hoped nothing changes in respect of focus and aggressiveness in making recommendations to the commission as to what they honestly feel ought to be the correct revenue requirements under the spread of the rates and rate designs.

Mr. Prengaman stated that this does not look to him to be very aggressive, quite frankly. When your own staff is granting twice the amount of increase requested by your own staff - that does not look to me like aggressive representation.

Mr. Hardy asked if Mr. Prengaman meant on the part of the staff.

Mr. Prengaman stated yes, on the part of the staff.

Mr. Hardy stated that the commission disagreed with them, as we would possibly disagree with the consumer advocate office if they presented something which we thought would be detrimental to the long range public interest. I fail to understand your approach. I don't know how you get much more aggressive presentations before the commission as to what they propose - a denial of a certain percentage of rate relief requested.

Dr. Schwartz interjected that he hated to be rude but that the staff could not take Mr. Hardy to court and a consumer advocate's office can.

Mrs. Westall stated that that was exactly the point that I wanted to make.

Mr. Prengaman reiterated his question - you said look to our own experience on our own problems and I think I am doing that but I what I am saying is that on a regular basis the Public Service Commission is granting - now on rate increases - more than double the request of the recommendations of its own staff so the situation that we have right now is where your staff makes a recommendation on a routine basis - we are getting something far in excess of that recommendation. My question is we are taking this staff here which is making these recommendations to this commission and moving them to a different place. Now I am asking what is going to change. Are they going to continue to be routinely overturned?

Mr. Hardy stated that the thing that will change is that they then will have the right to appeal our decisions if they feel that our decision is against the evidence presented or against the law. They do not have that right now. That's the major difference. I don't think that you will find a consumer advocate office who can get to the gut issues of cost of service that Dr. Schwartz talked about. That's where the major recommendations come from by the way is in the audit analysis, not the single issues.

Mrs. Westall stated that she believed that Mr. Prengaman made the best argument that she has heard for moving the staff over to a new agency. They do have the knowledge, they do have the expertise. They have been making the recommendations. Now we need to put over them people who will and who know how to present and direct what they have been doing on behalf of the consumer, because I think they have been doing a job for the consumer - they have not had the ability or the directorship or the law on their side even to make the point for the people on the consumer's side and that's exactly what I hope the agency will be able to do and then go to court if necessary.

Mr. Hardy stated that he assumed when the committee heard from the utilities next Monday, that they will tell the committee just how badly we do treat them. The utilities are not fat, notwithstanding what you might hear from the people.

Mr. Craddock asked Mr. Hardy that when we hear of short-range single type issue appeals resulting in a direct saving how can we properly use that term when we don't seem to be considering the long range effect? My question is, does the PSC actually take a look at the company's ability to perform over the long haul.

Mr. Hardy stated that they had to and it is one of the reasons even in recent cases the commission in unanimous decisions is concerned with the long run as far as the consumer is concerned.

Mr. Hardy further stated that he thought that Dr. Schwartz would be the first to admit that if a utility gets in a position where it cannot sell bonds at a reasonable rate, where it cannot attract equity capital when it needs to attract equity capital, that it really is not beneficial, it is detrimental to the consumers in the long run. We do have to look at the long range and I am afraid sometimes the consumer advocate offices and in my opinion our staff in some recent cases took the short range view and that is why we had to disagree with them. That does not mean that we did not accept their recommendations to a substantial extent.

Mr. Craddock stated that he believed the term direct savings was improper used in its context. I don't see how we are going to take a short term view even though political pressures being what they are - we can't take a short range look at this without considering the long range effect.

Mr. Hardy stated that Mr. Craddock had stated his position.

Mr. DuBois questioned Mr. Hardy about appealing a court action.

Mr. Hardy stated that it would cause them to write a tighter opinion.

Mr. Andrew Barbano of the Coalition for Affordable Energy testified next. He stated that he was only going to say one thing until Heber Hardy got through talking. The only thing he wanted to say was that with respect to Mr. Eck's comments with respect to railroads, the railroad example is a good one. Mr. Barbano stated that he agreed that railroads should not be part of the pervue of an office of consumer advocacy because it would be a duplication of what the federal government has already been doing and has been doing for some 74 years now. More to the point, I don't think there is a way given the construction of AB 58, you can take railroads out of there because what AB 58 is, is the Public Service Commission with a new label on the door. Somebody's got to do the staff work of the Public Service Commission. It is a task of increasing complexity and volume and essentially what you've got is this so-called new consumer representation department performing all of the current staff work for the commission. Somebody's got to do the staff work with regard to railroads, taxicabs, transportation, cable TV and all those other things that go into the wisdom of the legislature as they need regulation. So where railroads should be excepted from consumer advocacy, somebody's got to do the work of regulation, investigation and enforcement on the state level in all of these areas and you simply cannot eliminate railroads, taxicabs, transportation and so forth, unless you move those wholesale into another agency, like moving transportation to DMV, like moving railroads to Department of Commerce, like moving cable TV regulation to Department of Commerce and so forth. So you can't separate or cut railroads out of AB 58 because you need a public service commission to regulate those areas. Mr. Townsend's comments last week of apples and oranges are indeed correct. You are talking on the one hand consumer advocacy meaning the name of the game is rate cases, con-

sumer representation where rates are concerned, that's what the initiative addresses. With respect to the structure of the commission, we couldn't care less what Governor List or Mr. Hardy do with the structure of the commission. The Cresap report recommends some very needed changes, but you cannot take all of these other areas out of AB 58 because somebody's got to mind the store of regulating cable TV, transportation and all of that other stuff. I would agree with Mr. Eck that railroads should be excepted, but you've got to have somebody mind the store where these other areas are concerned, and what you have in AB 58 is the Public Service Commission with a new label on the door.

I think that is fairly self-evident from the language of the bill. You see occasion after occasion of the new consumer agency, the so-called Consumer Agency, performing staff work and reporting to the Commission. That is not separation. There never will be separation there. If there is any separation it won't occur til right around the end of the first year. So that's what I wanted to say up here until Mr. Hardy started talking.

First of all, with respect to the statement that there is really no difference between the intent of a governor and an attorney general, I could not agree more. I would like to remind you what Mr. Orlandt Outland who has been flacking against utilities in this legislature long before Mr. Townsend's name was a household word, what Mr. Outland reminded you of last week. We treat our governor as a czar here in Nevada. All power is vested in the governor. That's changing a bit. There are several bills in the legislature now to increase the powers of the attorney general but we essential treat the governor as a czar. The legislature only meets every two years, the attorney general is essentially the state's lawyer and the Supreme Court fights. The governor is omnipotent. Mr. Outland pointed up a spin off of that omnipotent gubernatorial attitude and that being that it is very rare that you see an attorney general even if he is of an opposing party criticize a governor. The best example of that relationship was the relationship between Robert List and Mike O'Callaghan. There would be a much greater tendency as Mr. Outland pointed out for a governor to criticize an attorney general so granted, one is neither more nor less political than the other, but if you had an office of advocacy under the attorney general, I would think that a strong executive in the governor would have some very violent criticisms if that office were not doing its job where criticizing the governor does not seem to be acceptable under Nevada tradition. Attorney General Bryan himself has only broken with the governor on two occasions. One on something right after the 1978 election and another on consumer advocacy itself. I would remind you what Mr. Ontland said that the governor would more legitimately under our czarist system criticize the attorney general for not performing say in the area of consumer advocacy where you would almost never find an attorney general criticizing a governor, so I think that Mr. Hardy's point is well taken but I think you would have a better check and balance system the other way.

I feel there is a good case to be made for an absolute deficiency of proper public utility regulation here in the State of Nevada. Part of that can be seen in attachments - Attachment C - to Dr. Schwartz' presentation, which is a brief overview of some of the inadequacies or deficiencies of public utility regulation here in Nevada done by Lee Riddick of the University of Wisconsin. We had hoped to have Miss Riddick and Dr. Rod Stevenson of the University of Wisconsin and also before Senator Wilson's committee this afternoon. Unfortunately the Madison and Chicago airports are totally snowed in and they are not here and I would like to bring them forward before you at the joint hearing next week when hopefully a plane can get out of the Midwest, but there is some significant examples of deficiency of public utility regulation in Miss Riddick's overview and I would like to bring her here next Monday to elaborate upon those. I think what Miss Riddick's presentation underlines is the fact that if you accept and I think the public is willing to accept that we have extremely deficient public utility regulation, I would say Mr. Hardy somewhere in there is some fat, and take it from someone who has had experience where fat is concerned.

With respect to my comment on hundreds of millions of dollars. That's a very cursory comment. It's a ballpark estimate, but I checked it out with a couple of people. As a matter of fact, I checked it out with a couple of the people who recommended Dr. Schwartz to me. I said, is this a fair statement to make? Nevada's three major utilities come in for rate increases general rate increases, over and above pass throughs, pass throughs will double this figure, general rate increases for Nevada Power, Southwest Gas and Sierra Pacific, come in to the tune of \$20 to \$30 million dollars a year give or take. You add CP National into that and if Sierra Pacific is successful in stealing CP National's plan in Northeastern Nevada, they will have a whole new bailywick to double rates, so you have \$20 to \$30 million a crack for the three major utilities. So, I think it's fair to state in the future based upon immediate history that your rate increases, general and specific will be in the tune of \$100,000,000 a year. Now you project that over the next five years. You've got about \$500,000,000 or half a billion dollars in rate increase applications. This is not including cost pass throughs which are essentially just rubber stamped. That's a whole other area of regulation. If a consumer advocate's office could convince the commission to come in at just 20% less or grant 80% of what is applied for over the next five years, I submit your savings conservatively estimated could be \$100,000,000. The people that I have talked to tell me that the savings could be easily double that based upon cost increases and the trends of public utilities or electric and gas utilities in general and the growth of Nevada, so I don't think \$100,000,000 or two is a figure that is out of line if you are talking, Mr. Craddock, long term. In the next five years, just a 20% rollback in below staff recommendations could easily be \$100,000,000 to \$200,000,000. That's a very general figure to throw out, but I think it is fairly conservative and realistic.

With respect to Mr. Hardy's comment on having only looked into three offices, essentially Mr. Norm Herring, the State Public Defender who took some time off to help draft the governor's plan, he admitted as much to Senator Wilson's committee on January 28th, what Mr. Hardy and Mr. Herring and all of the number of people who worked on the governor's plan did, was essentially to do research of course to back up their point of view. And we think our research was a little more balanced given the fact that the governor's people, Mr. Hardy and so forth were not even aware until Dr. Schwartz came in here last week that there was a fourth state that has governor's perview. In addition to Delaware, North Carolina and Minnesota, there is also Illinois. So we hope they will find that information useful, but it is obvious to me that the only information that was researched is the research to back up what Governor List has presented and I don't think you have a balanced viewpoint this morning either from Mr. Colonna or Mr. Hardy because they are here to represent a certain point of view but I don't think they have done balanced researched.

With respect to Mr. Hardy's comment on the - or implicating that there is no fat in Nevada utilities or essentially reiterating what Miss Jeannette MacDonald said in her resignation statement - this is reflective on the blame it on the Arabs philosophy. Two of our three public service commissioners reflect the blame it on the Arabs philosophy - there is nothing we can do. The utilities are always screaming blame it on the Arabs - blame it on Canadian gas interests. Dr. Schwartz has pointed out the biggest perpetrator of rate increase problems is constant expansion of plant and equipment. The Arabs in the long run may have done us a favor. They may have awakened the public to how they have been overcharged for years in the rate making process because of lack of representation and lax public administration by public service commissions. Blaming it on the Arabs is a very, very convenient way to keep your profits up and it seems that our commission has accepted that and I find that unfortunate and my final point, with respect to AB 58, Mr. Hardy noted that in response to Mr. Prengaman that staff has indeed been overruled and twice staff recommendations have been granted to utilities in the past year, well there seems to me to be two serious flaws in the language of AB 58 with respect to remedy. Granted, the staff of the Public Service Commission now can't sue their commissioners and AB 58 would supposedly separate the staff to some degree and allow the staff to appeal a commission. I have two problems with that and I am not an attorney and I am sure an attorney could find some more problems with it.

First of all, I have heard used in the past, a pretty good defense. This was the defense that the water right users in this state came up with in U.S. vs. T.C.I.D. One defense they brought up is that all parties to the litigation have not been sued. Well, I would think that one of the first things that a utility could bring up in court if AB 58 were in effect, is that all parties to the litigation have not been sued, the Public Service Commission cannot be sued under AB 58 and you've got a very good defense at law as I understand it

by simply stating that all proper parties have not been sued and therefore this litigation should either be stopped from proceeding or completely thrown out of court. The second thing is that AB 58 would, I think, tell the new consumer utility consumer transportation department, to go sue themselves. Because you can't sue the commission on an appeal, and a utility according to AB 58 would now sue the new consumer representation agency, I ask you who can the new representation department sue under AB 58 to appeal a decision. They can't sue the Commission because the Commission is not exempt from being a proceeding to appeals. They can't - I guess they might be able to sue the utility - I don't think that that's clearly stated. E-ssentially they would be in a position of having to go sue themselves. I find that a pretty significant flaw in the fact you might now have - you may not be able to bring the primary party to court and you may not be able to sue anybody but yourself. Who can you sue?

Mr. Craddock asked Mr. Barbano if he had any idea how long it takes to design and build a power plant.

Mr. Barbano stated that he believed that Valmy I went along something like this.

Sierra Pacific acquired the property to build Valmy I some time in the past. I would guess the mid 70's or so, exactly as they acquired the Winecup ranch property in Elko last year. From there - Sierra Pacific acquired that property to - and it just bought it outright - they then proceeded to the Public Service Commission saying we have acquired this property - we haven't charged the ratepayers for it, of course, we want to put this new coal fired dynasaur in Nevada and we would like you to allow us to charge the customers for it before it ever becomes on line. They made a case that it would cost the customers less in interest money in the long run. I believe that putting that construction work in process into the rate base happened about 1978. I believe 1978 was when they allowed that to begin. Valmy I is supposed to go on line this year, which is three years after the commission allowed some of the cost of Valmy I to go into the rate base. Some time after Valmy I construction was allowed to proceed, Sierra Pacific petitioned the Public Service Commission to allow Idaho Power to joint venture it with them. From what I understand, Sierra Pacific has similar plans out in Elko to joint venture that project along the same lines with Pacific Gas and Electric to provide power to California. There are various incentives for utilities to go into the power brokerage business here in Nevada. You have a lot less regulation here. Based upon Valmy I which is I believe the first major generating plant in Nevada that will come on line, and my dates are fuzzy on this because I have not done complete research on it, but I would say some time in the mid 70's the land was acquired and in 1978 the Public Service Commission allowed the construction of the plant and allowed for the first time in the history of the state,

construction work in progress to be charged to the ratepayers. Three years after that Valmy I will come on line and some three or so years in the future they have projected Valmy II will be applied for to go on line, so I would say you have about 10 years overall to get the job done. Sierra Pacific has acquired the Winecup property in Elko. It is ranchland now and they say they intend to build some type of a generating plant out there in the future, probably ten years down the road so they are talking 1980 to 1991 from purchase of property to plant in operation.

Mr. Craddock asked Mr. Barbano if he still insisted that a five year projection of sorts on the money that the consumer advocacy may or may not save is long range?

Mr. Barbano stated that by strict accounting definitions, one day to one year is short range; one year and one day to five years is medium range, and five years and one day thereafter is long range, so I don't have a good enough crystal ball to predict that far in the future. I was simply taking from what I have observed in the rate making process here in Nevada and the rate applications I have seen in 1980 and projecting those dollar for dollar five years into the future. I came up with a conservative figure of a 20% saving. That is where I came up with that.

Mr. Randolph Townsend, Chairman of the Coalition for Affordable Energy. I want to make two points. One is about next Monday's joint hearing - the first point very simply is the issue of utilities, the issue of energy is a monster, we are going to have to deal with it for the next ten, twenty, thirty years. Some of the things we are talking about long range - very, very important alternative energy sources. These kinds of things have to be dealt with and they should be dealt with as soon as possible. I think we get away from what we are talking about and we are talking about three alternatives, relative to some immediate response to the need of the consumer. We designed the initiative petition specifically to ignore the PSC. Why did we do that? Because we read General Order No. 3* and we read it intensely. It is probably one of the most powerful broadly based pieces of material I have ever laid my eyes on. It provides for a broad base of jurisdiction, discovery and enforcement. The reason we ignored the Public Service Commission and its restructuring, other than the Cresap report, was the fact that what we as consumers needed lay in that body. The PSC has all the power it needs. It is a frightening document. We left it alone. The fact that it has not been utilized is not the consumer's problem or fault. It lies in the fact that we don't have anybody to administer those rules and regulations. Witness the quoting by Mr. Prengaman of staff recommendation being double. This is what we are looking at relative to the initiative. We didn't touch the PSC. It doesn't need to be touched other than a few minor tuning mechanisms that are recommended by the

*Attached as Supplemental Material

Cresap Report. This is the bottom line. This is what we are talking about. I don't want to get off into some tangent about alternative energy sources and all these other things. We are talking about three specific areas of legislation that have to be dealt with within the next couple of weeks. That is my first point and I hope I make it well because it is something that is incredibly important to every single human being in the State of Nevada.

Secondly I would like some clarification and I would like to be on record as finding out what the joint hearing on Monday and how its proceedings are going to be handled. The Coalition asked for joint hearings early on relative to this issue because we knew there was some lag time and more importantly we felt that we could save an awful lot of time in joint hearings. We were denied that and the gall of the utilities when the Chairman asked last Wednesday if they were ready and they said no we are not - I mean, come on. How long do you need? You have megabuck people working full time on this and you're not ready. And now suddenly they are ready and they want a joint hearing, which they were granted on Monday, which is fine, but we would like to know, or I would at least be on record, as trying to find out if other entities besides the Coalition, people who have an interest here, are going to be able to respond to the utilities' presentation since they have sat back and listened to all testimony and we'd like to find out if there is chance of that. Very simply. Or where the procedure is going on Monday.

Mr. Schofield stated that he would indicate to Mr. Townsend that Mr. Dini has placed the three bills we are talking about in the Subcommittee, chaired by Mr. Mello, with myself, Mr. Prengaman, Mr. Redelsperger and Mr. May, and I am sure that there will be ample time to get the hearing. I think that would be up to the chairman. It has been indicated that the utilities were coming in to make a presentation jointly. Once this particular information gets into the Subcommittee, I am certain it is Mr. Mello's intent to gain adequate input on the part of anyone. As far as I am concerned personally as a legislator, I want to get all the input that I can. I know that there will be ample time and the Subcommittee will take it under consideration, hear the input from all parties and come back with a recommendation to the committee.

Mrs. Westall stated that as to the hearing, Monday, will the assembly be in control of the hearing? Will we be chairing the meeting?

Mr. Schofield indicated that he could not tell Mrs. Westall that.

Mrs. Westall stated that she would like to make the request that the Assembly be in charge of the meeting because after all we have the three bills in this house and I feel that it should be done that way.

Mr. Barbano asked Mr. Schofield, for the record, from what we have been preliminarily informed upon, that the hearing Monday in the Assembly and Senate daily journals - not journals but histories, and on the schedules posted on the bulletin on the Assembly and

Senate side, the hearings Monday have been billed as Public Utility Response to Joint Proposals. The information that I have received is that the utilities are being allowed a joint session where we asked for a joint session and couldn't get it on, so that we wouldn't be doing double duty and spending double amounts of time - your time and ours - the information that I was given yesterday is simply that the utilities will have essentially a chance to rebutt and give their response to various proposals presented and there will be no other testimony taken and no chance to speak to the committee on the issues raised by the utilities. And if that indeed is the case, if that indeed is the procedure, we would like to be on record as being - taking strong exception to that format, where the utilities have been able to sit back, listen to everything that has been presented, have been given all the time in the world to prepare and we will have no opportunity to give our response to what they say, in addition to the fact that we would like to present Dr. Stevenson and Miss Reddick who are snowed in in Wisconsin, so I would like that firmly noted on the record that if the format on Monday afternoon is for the utilities to come in, have their say and that's the end of the ballgame, we take very, very strong exception to that format.

Mr. Schofield stated that Mr. Barbano's statement would be made a part of the record. Mr. Schofield indicated that he thought he was very clear a moment ago in answer to Mr. Townsend's question, I think what I said was clear.

Mr. Schofield stated that the committee was after thorough testimony from everybody to obtain all the information that we possibly can in order to properly address ourselves to this issue. I think it is a very important issue and I believe it is the intent of the committee to gain that input.

Dr. Schwartz indicated that he would like to make one final comment which relates to what Mr. Hardy said with regard to Missouri's public counsel's office. Mr. Hardy knows as well as I do that there was a major turnover and they have a new governor of a different party in Missouri and, undoubtedly, Mr. Barvick and his staff has been a thorn in the side of the established interests and at this point they are very definitely being besieged. There is no doubt in my mind, a legislature which is of one party and a governor who had appointed and supported the public counsel in Missouri kept increasing their budget because of their effectiveness at this point with a new governor and a different party, that they are looking to bring the pressure to bear which will in fact collapse that office. That, in fact, has nothing to do with the efficiency and the effectiveness of their operations in the past. It has a great deal to do with the adverse impact of politics relative to consumer representation.

Mr. Schofield asked Dr. Schwartz, if out of all of his research, which state has the most experience and the most success in reaching the objective of the consumer advocacy out of all of them. The one state that you could say well this state is a good mode. They

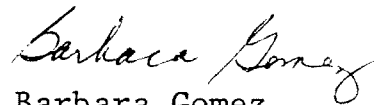
nave been successful. Which one would you say?

Dr. Schwartz stated that if Mr. Schofield would allow him two states he could answer the question. I don't want to be contentious, but I think that Michigan and Ohio have the two best offices.

Mr. Schofield asked if there were any further questions or any further testimony.

There being no further business to come before the meeting, the meeting adjourned at 10:56 A.M.

Respectfully submitted,



Barbara Gomez
Assembly Attache

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February 9, 1981

M E M O R A N D U M

TO: Chairman and Members of the Assembly Committee
on Government Affairs

FROM: Samuel F. Hohmann, *[Signature]* Senior Research Analyst
Science & Technology

SUBJECT: Analysis of Assembly Bill 58

An analysis of assembly bill 58 has been completed for your use. If you have any questions or would like additional information, please do not hesitate to contact me.

SFH/llp

Exhibit A2.11

ANALYSIS OF A.B. 58

CREATION OF A UTILITY CUSTOMERS' REPRESENTATIVE AGENCY

Background

Assembly concurrent resolution number 22 of the 1979 session of the Nevada legislature directed the legislative commission "* * * to conduct a study of the public service commission of Nevada * * *" and the relationship between public utilities and the public. The commission was further directed to study the merits of requiring competitive bidding on all large projects of construction or repair to be undertaken by public utilities.

The primary focus of the study became the issue of increasing energy utility rates and the search for legislative remedies. The study subcommittee concluded that one remedy would be to have formal representation of residential ratepayers before the public service commission at rate hearings. Thus, there appeared among the study recommendations a proposal to create an office of consumer representation (introduced in 1981 as assembly bill 85).

The governor's office also developed a proposal creating a utility customers' representative agency. This proposal, assembly bill 58, more comprehensively addresses establishment of the agency, its powers and duties, and the funding of the agency.

Existing Law

Regulatory enforcement of public service commission policy rules and regulations is currently carried out by the several divisions (engineering, transportation, audit and consumer relations) of the public service commission pursuant to NRS 703, 704, 705, 706, 708, 711 and 712.

Although commission staff presently prepare staff recommendations for the commissioners regarding rate hearings, both formally and informally, staff are obligated to consider the impact of the proposed rate change on all parties involved in a rate filing - the public utility and all classes of ratepayers. Further, commission staff are not allowed to intervene in rate hearings, whether on behalf of residential ratepayers or any other party involved in the case.

Provisions of Assembly Bill 58

This bill has a number of major provisions. It would create a utility customers' representative agency with broad utility regulation enforcement responsibilities. The staff to carry out enforcement would be transferred from existing enforcement departments within the public service commission. Half a dozen supplemental support staff are to be added to the commission, and a dozen new consumer representative staff for the agency would complement the transferred regulation enforcement staff totaling about 60 personnel.

The following powers and duties are vested in the new agency:

- Make recommendations to the commission regarding all regulatory matters before the commission.
- Petition the commission for relief of unjust practices.
- Intervene in all regulatory proceedings before commission without prior notice to the commission.
- Make recommendations to the commission relating to regulation of utilities as provided in NRS chapter 703, 704, 705, 706, 708, 711 and 712.

- Appear in district court to review any order of the commission.
- Maintain public files.
- Enforce NRS chapters 703, 704, 705, 706, 708, 711 and 712.
- Assume the responsibilities of the existing department of consumer relations.
- Report to the commission on newly filed schedules and requests for certificates of public convenience and necessity.
- Assume investigative responsibilities currently handled by the commission.

Funding is provided for in sections 36 and 37. Therein a special revenue fund is created to defray costs of salaries, equipment and supplies, participation in hearings, and regulatory functions. The assessment of utilities is to be 2 3/4 mills on each dollar of gross operating revenue derived from the utilities' intrastate operations.

The director of the agency is to be appointed by the governor and serve as an administrator. The director's qualifications include demonstrated competence in the field of regulation and administration of public utilities. Counsel for the utility customers' representative agency is to be provided by the attorney general's office.

There are several other provisions of this bill which assign enforcement duties to the new agency not previously assigned. These include enforcement of pipeline safety standards adopted by the commission and investigation of warehouse permit applications. The bill also has a legislative declaration of intent regarding the purposes and functions of the public service commission, clarifying the separate missions of the commission and the new agency.

Other States' Activities

Similar legislation. Both North Carolina and Minnesota have separated their regulatory enforcement staffs and empowered them to intervene in cases before their respective commissions (North Carolina General Statutes Chapter 62 and Minnesota Statutes Annotated Chapter 216B). The Minnesota Department of Public Service is the agency which was created in 1974 to perform the enforcement functions. In North Carolina, a public staff within the commission was created in 1977.

Consumer representation without regulatory enforcement responsibilities. Many states have adopted the approach of creating an office of consumer advocacy whose sole function is to represent residential ratepayers before their public utility commissions. About 20 have placed the office under the attorney general. About as many have been established as an independent office. Funding varies whether by direct legislative appropriation or through mill assessment of utility operating revenue. Examples include the Ohio Consumers' Counsel, the Georgia Consumers' Utility Counsel, the New Mexico Attorney General's Energy Unit, and the Florida Public Counsel.

Cost

The proposed combined budget request for the public service commission and the new agency for fiscal years 1981-82 and 1982-83 are \$3,612,886 and \$3,781,513 compared to the public service commission's fiscal year 1980-81 budget of \$2,535,139. Because of the mixed responsibilities assigned to the new agency, and reclassification of several positions, it is not clear how much of the proposed budget increase is due to the new customer representation function, how much is due to salary increases or job description changes, and how much will be due to added regulatory enforcement responsibilities. Regulatory mill assessments will increase from current levels but will not exceed the statutory limit of four mills per \$1 of utility gross revenue.

Research Division
SFH/2/9/81

Exhibit B

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL
MINUTES AND THE MICROFICHE.**

703.NV
1979

GENERAL ORDER NO. 3
RULES OF PRACTICE AND PROCEDURE
BEFORE THE
PUBLIC SERVICE COMMISSION



Effective January 1, 1979

NEVADA
LEGISLATIVE COUNSEL BUREAU
RESEARCH LIBRARY

Supplemental Material
(mentioned on p. 37 of meeting)

BEFORE THE PUBLIC SERVICE COMMISSION OF NEVADA

In the matter of the Amendment)
of Rules of Practice and Procedure)
before the Public Service Commission)
of Nevada)

General Order No. 3

At a general session of the Public
Service Commission of Nevada held
at its offices in Carson City,
Nevada, August 14, 1978.

PRESENT: Chairman Heber P. Hardy
Commissioner Evo. A. Granata
Commissioner Janet S. Mac Donald
Secretary Wm. W. Proksch, Jr.

ORDER

IT APPEARING, That the Public Service Commission of Nevada (hereinafter referred to as "Commission"), on its own motion, recommended proposed amendments to the Rules of Practice and Procedure before the Public Service Commission of Nevada, General Order No. 3; and

IT FURTHER APPEARING, That on June 14, 1978, the Commission noticed its intention to adopt the proposed amendments and submitted copies of the proposed general order to the Secretary of State and the Legislative Counsel Bureau in accordance with NRS 233B.060 and 233B.063. Newspaper notice of the public hearing on the proposed amendments was also provided to the public as required by Commission General Order No. 3, Rule 9; and

IT FURTHER APPEARING, That on July 18, 1978, a public hearing was held in Carson City, Nevada, to receive written and oral comments on the proposed amendments from interested persons; and

IT FURTHER APPEARING, That the Commission has considered fully all written and oral submissions made at the public hearing and the recommendations received from the Legislative Counsel Bureau; and

IT FURTHER APPEARING, That the Commission is fully advised in the premises, and issuance of the amended Rules of Practice and Procedure before the Public Service Commission of Nevada, General Order No. 3, would be in the public interest; and

Good Cause Appearing Therefor,

703.NV
1979

IT IS ORDERED That, pursuant to NRS 233B.050, 704.210, and 706.171, the Commission hereby repeals the Rules of Practice and Procedure before the Public Service Commission of Nevada adopted July 3, 1961, and hereby adopts the following Rules of Practice and Procedure before the Public Service Commission of Nevada, marked as Exhibit "A" and numbered 1 through 28. This order shall be effective on January 1, 1979.

IT IS FURTHER ORDERED That the Commission retains jurisdiction in the premises for the purpose of correcting any errors which may have occurred in the drafting or issuance of this Order.

By the Commission,

/s/ Heber P. Hardy
HEBER P. HARDY, Chairman

/s/ Evo A. Granata
EVO A. GRANATA, Commissioner

/s/ Janet S. Mac Donald
JANET S. MAC DONALD, Commissioner

Attest:

/s/ Wm. W. Proksch, Jr.
WM. W. PROKSCH, JR., Secretary

Dated: Carson City, Nevada
October 10, 1978

(SEAL)

GENERAL ORDER NO. 3

RULES OF PRACTICE AND PROCEDURE

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RULE 1

Scope and Construction of Rules

1.010 Procedure Governed

These rules govern practice and procedure before the Public Service Commission of Nevada, in accordance with the applicable laws of this state.

1.020 Nature of proceedings

Proceedings before the Commission are investigative on the part of the Commission, although they may be conducted in the form of adversary proceedings.

1.030 Deviation from rules

Where good cause appears, the Commission or presiding officer may permit deviation from these rules if not contrary to statute, insofar as compliance therewith may be found to be impracticable or unnecessary.

1.040 Construction and amendment

These rules, and any rules incorporated herein by reference, shall be so construed by the Commission or any presiding officer as to secure a just and speedy determination of the issues. Amendments to these rules may be made periodically by the Commission under its general rule-making authority.

1.050 Other rules applicable

In addition to these rules, all utilities, motor carriers, and railroads subject to the jurisdiction of the Commission shall consult chapters 703 through 712, inclusive, of NRS, other general orders of the Commission as they may be promulgated from time to time, and any other substantive rules and regulations which may affect the utility, motor carrier, or railroad.

RULE 2

General Provisions

2.010 Offices

The principal office of the Commission is in Carson City, Nevada. The address of the Commission is 505 East King Street, Carson City, Nevada 89710. A branch office of the Commission is maintained in Las Vegas, Nevada, located at 2501 East Sahara Avenue, Las Vegas, Nevada 89158. The offices of the Commission shall be open from 8:00 a.m. to 5:00 p.m. each day, except Saturday, Sunday, and legal holidays.

2.020 Secretary of the Commission

The secretary of the Commission shall have custody of the minutes of the Commission proceedings, of its rules and regulations, and of all other records of the Commission, including its administrative orders. Orders of the Commission shall be authenticated or signed by the secretary or by another person authorized by the Commission.

2.030 Calendar of hearings

The secretary of the Commission shall maintain a hearing calendar of all scheduled hearings at the Commission's office in Carson City and in its branch office in Las Vegas. The hearing calendar shall be available for public inspection at all times.

2.040 Docket

The secretary of the Commission shall maintain a docket of all matters pending before the Commission and shall assign an appropriate docket number to each new matter. The docket shall be available at the Commission's office in Carson City for public inspection.

2.050 Communications

Any written communication or document shall be addressed to the secretary of the Commission's principal office in Carson City. A communication or document is considered officially received by the Commission only when received or filed at the Commission office in Carson City.

2.060 Rejection of documents

A document which is not in substantial compliance with these rules or applicable statutes may be rejected. If rejected, that document shall be returned with an indication of the deficiencies in it. Acceptance of a document for filing is not a determination that the document complies with all Commission rules and is not a waiver of those rules.

2.070 Fees and remittances

A fee or remittance by money order, bank draft, or check to the Commission shall be made payable to the "Public Service Commission of Nevada." A remittance in currency or coin is acceptable but is sent wholly at the risk of the remittor, and the Commission assumes no responsibility for loss of a currency or coin remittance. An application fee or other charge required by law shall be paid to the Commission at the time of filing with the Commission.

2.080 Public records

Except as otherwise provided by law, all documents shall become matters of public record as of the day and time of their filing. The secretary of the Commission, within reasonable limits of time and general expediency, shall permit members of the public to examine these public records. Copies of public records may be made for any interested person, and a reasonable fee shall be charged for the cost of reproduction. Copies of transcripts shall first be requested from the court reporter or transcriber who made the transcript.

2.090 Meetings

The Commission may meet and exercise its powers at any location in this state. Regular meetings of the Commission for the transaction of business shall be held at the principal office of the Commission in Carson City on regular business days and as scheduled by the Commission. Additional sessions of the Commission may be held at times and places considered necessary by the Commission. Each session shall be open to the public and noticed to the public in accordance with chapter 241 of NRS.

RULE 3

Definitions

3.010 Definitions

The definitions contained in chapter 704 of NRS apply to all rules and regulations of the Commission, and the following terms shall have the following meanings:

1. Application. "Application" means a request for relief filed with the Commission as specified in Rule 7.060.
2. Commission. "Commission" means the Public Service Commission of the State of Nevada.
3. Commissioner. "Commissioner" means a Public Service Commissioner appointed pursuant to chapter 703 of NRS.
4. Commission Staff. "Commission staff" means a person or persons employed by the Commission.
5. Complaint. "Complaint" means a request for relief filed with the Commission as specified in Rule 8.
6. Division of consumer relations. "Division of consumer relations" is a division within the Commission established to receive and investigate complaints made against any public utility, to conduct appropriate investigations of utility company service practices, and to perform such other functions as are required by law or as the Commission deems appropriate.
7. Document. "Document" means any written submission to the Commission.
8. Hearing. "Hearing" means any public proceeding that is noticed by the Commission in accordance with applicable statutes and includes an opportunity to all parties to present any written or oral testimony that the Commission considers relevant and material to the issues.
9. Motion. "Motion" means a request for relief filed with the Commission pursuant to Rule 7.180.
10. Motor Carrier. "Motor Carrier" means any person or operator that the Commission is authorized to supervise, control, or regulate pursuant to chapter 706 of NRS.

11. Party. "Party" means any person defined by Rule 4.
12. Party of Record. "Party of record" means an applicant, complainant, respondent, staff counsel, or an intervenor whose petition for leave to intervene has been granted by the Commission.
13. *Person. "Person" means any individual, partnership, corporation, association, governmental subdivision, or other identifiable public or private organization of any character that appears before the Commission for any purpose.
14. Petition. "Petition" means a request for relief to the Commission pursuant to Rules 7.080 to 7.110, inclusive.
15. Pleading. "Pleading" means any application, petition, complaint, answer, or protest filed with the Commission in any proceeding.
16. Presiding Officer. "Presiding Officer" means a commissioner, the secretary, or an administrative assistant directed by the Commission pursuant to subsection 3 of NRS 703.110 to hold hearings.
17. Public Utility or Utility. "Public utility" or "utility" means any business which the Commission is authorized to regulate pursuant to chapter 704 of NRS.
18. Secretary. "Secretary" means the secretary of the Commission or the assistant secretary of the Commission, appointed pursuant to NRS 703.130.
19. State. "State" means the State of Nevada.

* Definition from chapter 704 of NRS.

RULE 4

Parties

4.010 Classification of Parties

According to the nature of the proceedings before the Commission and the relationships of the parties to the proceedings, a party to proceedings shall be styled applicant, petitioner, complainant, respondent, intervenor, or protestant.

4.020 Applicant

A person applying in the first instance for any privilege, right, or authorization from the Commission shall be styled "applicant."

4.030 Complainant

A person who complains to the Commission of any act by any person subject to the jurisdiction of the Commission shall be styled "complainant."

4.040 Intervenor

A person granted leave to intervene under Rule 6 shall be styled "intervenor."

4.050 Petitioner

A person, other than a complainant or an applicant, petitioning for affirmative relief shall be styled "petitioner."

4.060 Protestant

Any person, including a state or local governmental entity, objecting to an application, petition, or other matter may file a protest under Rule 7.170 or make a statement at a hearing and shall be styled a "protestant." However, the filing of a protest does not make the protestant a party of record.

4.070 Respondent

A person against whom any complaint is filed or a person who is the subject of any official Commission investigation shall be styled "respondent."

4.080 Staff counsel

The Commission staff may appear, be represented by counsel for the staff, and may intervene in all proceedings before the Commission without filing a petition for leave to intervene.

RULE 5

Appearances and Practice

5.010 Rights of parties

At any hearing, each party of record shall be entitled to enter an appearance, introduce evidence, examine and cross-examine witnesses, make arguments, make and argue motions, and generally participate in the proceeding. Any person who desires to participate in a hearing scheduled by the Commission and who might otherwise qualify as an intervenor in the proceeding shall file a petition for leave to intervene as provided in Rule 6. A protestant shall be acknowledged by the presiding officer for the purpose of making a statement.

5.020 Taking of appearances

A party shall enter an appearance at the beginning of a hearing or at some other time designated by the presiding officer by giving his name and address and stating his position or interest.

5.030 Representation of parties

An appearance or representation of a party shall be made as follows:

- a. A party may represent himself or may be represented by an attorney. Any other person who may satisfy the Commission or the presiding officer that he possesses the expertise to render valuable service to the Commission, and that he is otherwise competent to advise and assist in the presentation of matters before the Commission, may be allowed to appear on behalf of a party or parties.
- b. An attorney at law appearing as counsel in any proceeding shall be duly admitted to practice and in good standing before the highest court of any state. If an attorney is not admitted and entitled to practice before the Supreme Court of Nevada, he shall associate with an attorney so admitted and entitled to practice.
- c. A partnership may appear and be represented by a copartner or a duly authorized regular employee.
- d. A corporation may appear without counsel and be represented by a corporate officer or duly authorized regular employee of that corporation.
- e. A federal, state, regional, or local governmental entity or municipal corporation may appear and be represented by a duly authorized officer, agent, or regular employee of that governmental entity or municipality.

- f. An unincorporated association may appear and be represented by a corporate officer or duly authorized regular employee of that corporation.
- g. Staff counsel or assistant staff counsel shall represent the Commission staff in all proceedings before the Commission.

5.040 Withdrawal of attorney or authorized representative

Any attorney of record or representative wishing to withdraw from a proceeding before the Commission shall make a written motion stating the reasons for the requested withdrawal. The motion shall be served upon the party whom he represents and upon all other parties of record.

5.050 Conduct required

Any person appearing in a proceeding shall conform to recognized standards of ethical and courteous conduct required of practitioners before the courts of the state. Contumacious conduct by any person at any hearing before the Commission shall be grounds for exclusion of that person from that hearing and for summary suspension of that person from further participation in the proceedings. No smoking will be permitted at any meeting or hearing of the Commission.

5.060 Appearance of former employees

No person who has served as a member, expert, attorney, accountant, engineer, or other employee of the Commission may practice or act as attorney, expert witness, or representative in connection with a particular docket before the Commission, if that person has handled, investigated, advised, or otherwise participated in the consideration of the same docket while in the service of the Commission.

RULE 6

Intervention

6.010 Leave to intervene necessary

Any person who desires to participate in a particular proceeding as an intervenor shall file a petition with the Commission requesting an order permitting the intervention. The granting of leave to intervene, or otherwise appear, in any proceedings shall not be construed as a finding or determination of the Commission that the party is or may be a party in interest or a party aggrieved by any ruling, order, or decision of the Commission for purposes of judicial review.

6.020 Form and contents of petitions

A petition for leave to intervene shall be in writing and shall clearly identify the proceeding in which leave to intervene is sought by title and docket number. The petition shall set forth the following: name and address of the petitioner; a clear and concise statement of the direct and substantial interest of the petitioner in the proceedings; the manner in which the petitioner will be affected by the proceedings; the matter and facts relied on by the petitioner as a basis for his request to intervene; a statement as to whether or not petitioner intends to present evidence in the proceeding; and if affirmative relief is sought, the basis for such relief.

6.030 Filing of petitions

A petition for leave to intervene and proof of service of a copy of the petition on each party of record shall be filed within the following time periods:

1. If the petition for leave to intervene concerns an application or tariff filing, within the time limits set in the public notice published in accordance with Rule 9.040.
2. If the petition for leave to intervene concerns any other proceeding before the Commission, no later than the date of hearing as published in accordance with Rule 11.020.

If a petition for leave to intervene is filed after the applicable time period, the petition shall state a substantial reason for the delay; otherwise, the petition shall be denied by the Commission or presiding officer.

6.040 Granting of petitions

If a petition for leave to intervene shows direct and substantial interest in the subject matter of the proceedings, or any part of the proceedings, and does not unduly broaden the issues, the Commission or the presiding officer may grant leave to intervene or otherwise to appear in the proceedings with respect to the matters set forth in the petition for leave to intervene, subject to those reasonable conditions that may be prescribed by the Commission. If it appears during the proceedings that an intervenor has no direct or substantial interest in the proceedings, and that the public interest does not require his further participation in the proceedings, the presiding officer may dismiss the party from the proceedings.

6.050 Limitations at hearings

When two (2) or more intervenors have substantially the same interests and positions, the Commission or presiding officer may, in order to expedite the hearing, limit the number of intervenors who will be permitted to cross-examine, make and argue motions, or make objections during the course of the hearing.

RULE 7

Pleadings and Motions

7.010 Captions

Pleadings before the Commission shall be styled applications, petitions, complaints, answers, and protests.

7.020 Verification

All pleadings, except complaints and protests, shall be verified.

7.030 Form and size

Pleadings and written motions shall be properly titled, shall be signed by an authorized individual, shall state the name and address of each party, and shall clearly identify the proceeding by title and docket number. Pleadings and motions shall set forth a clear and concise statement of the matters relied upon as a basis for the action or relief requested and an appropriate prayer. Pleadings and written motions shall be typewritten, mimeographed, or printed and shall be on good quality paper, which is approximately 8 1/2 by 11 inches or 8 1/2 by 13 inches in size. A pleading initiating a new proceeding shall have a space for the docket number.

7.040 Amendment to pleadings and motions

If not otherwise prohibited by law and if substantial rights of the parties will not be prejudiced, the Commission may allow any pleading or motion to be amended or corrected or any omission in the pleading or motion to be cured.

7.050 Construction of pleadings and motions

Pleadings and motions shall be liberally construed and any defects which do not affect substantial rights of any party may be disregarded by the Commission or presiding officer.

7.060 Applications

A pleading requesting a privilege, right, or authority from the Commission shall be styled an "application." An application shall set forth: the full name, mailing address, and telephone number of the applicant; all material facts upon which the application is based; required exhibits; a request for the order, authorization, permission, certificate, relief, or permit desired; and a reference to the particular statute or statutes, rules, or regulations requiring or providing for the requested action. The application shall be signed by the applicant, applicant's duly authorized representative, or applicant's attorney. If an attorney signs the application, his address and telephone number shall be included. An application by a public utility for a determination of

the value of public utility property for rate-making purposes and of the rate of return on that property, or for increased rates and charges, shall also conform to the requirements of Rule 16. An application for a rate increase by an air or rail carrier shall also conform to Rule 15, and an application for a rate increase by a motor carrier shall also conform to Rule 17.

7.070 Complaints

See Rule 8.

7.080 Petitions

A pleading praying for affirmative relief (other than an application or complaint) shall be styled a "petition."

7.090 Petitions for reconsideration

See Rule 13.

7.100 Petitions for declaratory orders, advisory opinions; disposition

Pursuant to NRS 233B.120, any interested person may petition the Commission for a declaratory order or an advisory opinion as to the applicability of any (a) statutory provision, (b) Commission regulation, or (c) decision of the Commission. Declaratory orders shall have the same effect as other orders of the Commission.

1. Contents and Form. A petition for a declaratory order or advisory opinion shall set forth the name and address of the petitioner, and shall contain a clear and concise statement of the issue or issues to be decided by the Commission in its declaratory order or advisory opinion.
2. Filing of Petitions. A petition filed pursuant to this rule shall be deemed submitted for Commission consideration when an original and seven (7) copies of the petition are filed with the secretary.
3. Hearings. Hearings may be held by the Commission to obtain information necessary or useful in formulating a declaratory order or advisory opinion.

7.110 Miscellaneous petitions

If the subject matter of any desired relief is not readily apparent or specifically covered by these rules, a petition seeking that relief and stating the reasons relied upon may be filed. The petition shall be handled in the same manner as other petitions.

7.120 Answers to petitions

A party against whom a petition is directed and who desires to contest the petition or make any representation to the Commission in connection with the petition may file an answer to it within the time limit prescribed in Rule 7.160. If a party fails to answer within the prescribed time, all relevant facts stated in the petition shall be considered admitted.

7.130 Answers to amendments

1. If an amendment or correction to a pleading is filed before the filing of an answer, the time within which to answer the pleading shall be reckoned from the date of service of the amendment or correction, unless the Commission directs otherwise.

2. Amendments or corrections to a pleading made after the filing of an answer need not be answered.

3. Unless otherwise ordered by the Commission, the facts set forth in an amendment or correction shall be considered admitted if an answer to the amendment or correction is not filed. If a party does wish to answer an amendment or correction, it must file an answer within fifteen (15) days after the service of the amendment or correction, unless the Commission directs otherwise.

7.140 Answer upon orders to show cause

Any person upon whom an order to show cause has been served shall file an answer within the time specified in the order to show cause. If an answer is not filed within the time allowed in the order to show cause, all relevant facts set forth in the order to show cause may be considered admitted, and appropriate action may be taken by the Commission without further notice.

7.150 Contents of answers

An answer to a petition, to an order to show cause, or to another pleading shall be in writing, verified, and so drawn as to fully and completely advise the Commission and the parties of record of the nature of the answering party's defense. Answers shall specifically and in detail admit or deny each material allegation and shall state any new matter constituting a defense. Matters alleged by way of affirmative defense shall be separately stated and numbered. If an answer is not made within the prescribed time, the dilatory party shall be precluded, except with the consent of the opposing parties and the Commission, from asserting any affirmative defense in the proceeding. However, failure to file an answer or failure to indicate jurisdictional defects in an answer does not waive objection to such jurisdictional defects.

7.160 Time for filing answers

An answer with a proof of service of the answer attached thereto shall be filed with the Commission and served upon all parties of record within twenty (20) days after service of the pleading to which the answer is directed, unless otherwise specified by these rules, or unless for good cause the Commission shortens or extends the time within which an answer may be filed.

7.170 Protests

Any objection by a person, not a party of record, to an application, petition, or other matter shall be styled a "protest." Written protests need not conform to the form and size requirements of Rule 7.130, but shall be signed by an authorized individual, officer, or attorney, shall state the name and address of the protestant, and shall clearly identify the proceeding. Written protests shall legibly set forth a clear statement of the matter objected to. The Commission shall notify the parties against whom a written protest is directed of the receipt of the protest, and shall serve a copy of the protest upon such parties. The Commission shall hold a hearing if required by law. If a hearing is not required by law, the Commission may notify the parties of record and hold a hearing if, in its opinion, the public interest will be served thereby. An oral protest may be made at a hearing even though a written protest has not been filed with the Commission by the protestant. At a hearing, the presiding officer shall allow any protestant to state his interest in the proceeding under Rule 5.020. Protestants who desire to participate as parties of record in a proceeding shall file a written petition for leave to intervene and shall be entitled to participate only to the extent leave to intervene is granted, as provided in Rule 6.040.

7.180 Motions

Any request for an order by the Commission, except for an order to permit intervention, concerning any matter that has been assigned a docket number and that has not been finally decided by the Commission shall be styled a "motion." A motion shall be in writing unless made during a hearing. If a motion is made during a hearing, the motion may be either written or oral.

1. Oral motions shall be timely made.
2. A motion directed at a complaint or petition shall be written and filed before the answer is due; otherwise, the objections shall be raised in the answer. If a motion is directed at an answer, it shall be written and filed with the Commission and served upon all parties of record within ten days of the service of the answer. Any other written motion shall be timely filed with the Commission and served upon all parties of record not less than four days before any scheduled hearing unless

the moving party demonstrates to the presiding officer substantial reason for the delay.

Filing of affidavits in support or contravention of a motion may be permitted by the presiding officer.

7.190 Responses to Motions

Any party of record against whom a motion is directed may file a response to the motion. A response shall be in writing unless made during a hearing. If made during a hearing, a response may be either written or oral. A written response shall be filed with the Commission, shall be served on each party of record, and shall follow the requirements for motions set forth in rule 7.180.

RULE 8

Complaints

8.010 Informal customer complaints or inquiries

Informal customer telephone or walk-in complaints and inquiries concerning public utilities and motor carriers shall be processed by the Commission's division of consumer relations. The division shall investigate and attempt to resolve any problems between customers and public utilities or motor carriers on an informal basis, and shall maintain a record of each inquiry in sufficient detail to ensure that all facts are taken into consideration during any investigation undertaken by the division. If the customer is not satisfied with the resolution of the complaint, the division shall inform the customer of his right to file a written complaint under Rule 8.020. Any actions or resolutions reached pursuant to this rule shall not prejudice the customer's right to file a written complaint.

8.020 Complaints; form and contents

Any person may file a written complaint against a public utility or motor carrier. A complaint shall clearly and concisely state the grounds of the complaint and the facts constituting the alleged wrongful acts or omissions, accompanied by all supporting documentation, such as invoices, bills of lading, cancelled checks, and statements of account. A written complaint filed after informal efforts by the division to resolve the matter shall state what prior actions have been taken by the division. Two or more complainants may join in one complaint if their respective causes of action or complaints are substantially the same and the rights of the parties will not be prejudiced.

8.030 Disposition of written complaints

All written complaints, except those filed pursuant to Rule 8.040 and those processed by the division pursuant to Rule 8.010, shall be transmitted to the division. The division shall investigate and attempt to resolve the complaint. The division shall notify all parties of the results of the investigation and of any recommended actions to be taken by the parties to resolve the complaint. If the complaint cannot be resolved to the satisfaction of the parties involved, the complaint and the division's recommendations shall be transmitted to the Commission for disposition.

8.040 Complaints concerning certificates of public convenience and necessity

The Commission shall directly investigate any complaint alleging:

1. That any utility or motor carrier is being operated without a certificate of public convenience and necessity as required by statute; or
2. That any utility or carrier by constructing or extending its line, plant, or system interferes or is about to interfere with the operation of the line, plant, or system of any other utility or carrier already in operation; or
3. That there is or will be a duplication of service by public utilities or motor carriers not in the public interest.

8.050 Service of complaints

A written complaint filed with the Commission shall be served upon the respondent public utility or motor carrier by the Commission within ten (10) days of its receipt of a complaint filed pursuant to Rule 8.040 or upon receipt of a complaint transferred from the division. If the division has previously processed or investigated the complaint, a copy of the division's recommendations shall be served with the complaint. A proof of service by the Commission shall accompany the copy of the complaint served.

8.060 Answer to complaints

1. Unless the respondent utility or motor carrier has resolved the complaint and has so advised the Commission within twenty (20) days of receipt of service, an answer to a written complaint shall be filed with the Commission within twenty (20) days of service unless for cause the Commission with or without motion prescribes a different time. However, no answer may be required less than ten (10) days after the date of service. Any respondent failing to file an answer within the prescribed period shall be deemed to have admitted all relevant facts stated in the complaint.

2. An answer shall be in writing, and so drawn as to fully advise the parties and the Commission of the nature of the respondent's defense. An answer shall to the extent possible specifically and in detail admit or deny each material allegation of the complaint, and shall state clearly and concisely the facts and matters of law relied upon. The answer shall be signed by the respondent or by respondent's attorney or representative, and shall set forth the mailing address and telephone number of the respondent or respondent's attorney or representative. For answers to amendments to complaints see Rule 7.130.

8.070 Hearing on complaints

After an answer to a written complaint has been received from the respondent, or after expiration of the time prescribed for filing of an answer, whichever occurs first, the Commission shall initiate or review any investigations

which have been undertaken. If, as a result of an investigation, the Commission determines probable cause exists for the complaint, and no notice of a settlement or disposition of the complaint by the parties is received by the Commission in the answer or otherwise, the complaint shall be noticed for hearing pursuant to NRS 704.465 and these rules.

8.080 Dismissal of complaints

If the Commission determines that no probable cause exists for the complaint or if the complaint has been settled and notice of the settlement has been received by the Commission, the complaint shall be dismissed and a copy of the Commission's minute entry dismissing the complaint shall be served upon the complainant, respondent, and all other parties of record.

RULE 9

Filing, Service, and Public Notice

9.010 Filing of pleadings and motions

An original and seven (7) legible copies of all pleadings and written motions shall be filed with the Commission. A copy of all pleadings and written motions shall be served on each party of record in the proceeding.

9.020 Service

All notices and documents required to be served by the Commission or to be filed or served by any party may be served by mail, and service shall be considered complete when a true copy of the document, properly addressed and stamped, is deposited in the United States mail.

9.030 Proof of Service

There shall appear on all documents required to be served an acknowledgement of receipt of service or the following certificate:

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding (by delivering a copy thereof in person to _____) by mailing a copy thereof, properly addressed, with postage prepaid to _____. Dated at _____ this _____ day of _____, 19____.

Signature

9.040 Public Notice

1. If an authorization, expansion, reduction, or curtailment of services, facilities, or authority, increase in rates, fares, or charges, or any change in rules or regulations is filed by application or tariff filing, the secretary shall publish a notice of the application or tariff filing.

- a. If the secretary determines that the proposal will have a statewide effect, the notice of the application or tariff filing shall be published at least once in not fewer than six (6) newspapers of general circulation in the state, no two (2) of which may be published in the same county.
- b. If the secretary determines that the proposal will have an effect on a limited number of counties, he shall have the

notice of the application or tariff filing published once in a newspaper of general circulation in each county affected. If there is no newspaper published in an affected county, then the secretary shall have the notice published in a newspaper published in an adjoining county.

2. The notice shall be an ad not less than one (1) column inch by three (3) inches, with a border on all sides, and shall include: a) the applicant's name, or applicant's agent's name; b) a brief description of the applicant's proposal; c) where the proposal is on public file; and d) the date by which persons should file a protest or petition for leave to intervene with the Commission. The notice shall be published prominently so that it is reasonably calculated to notify persons affected.

3. The secretary shall have the notice published in the appropriate newspapers not less than ten (10) days before the proposal may become effective.

4. Each newspaper in which notice of an application or tariff filing is published shall bill the applicant for the cost of the publication, and the applicant shall pay the cost; however, the Commission shall pay the cost of publication for one-page tariff filings.

5. For the convenience of the public the secretary shall also have the notice published in a designated Sunday newspaper in Carson City, but this publication shall not be a substitute for the publication required by subsection 1(a) or 1(b) of this rule.

RULE 10

Prehearing Conference

10.010 General

The Commission may, upon written notice to all parties of record, hold a prehearing conference in order to formulate or simplify the issues, obtain admissions of fact which will avoid unnecessary proof, arrange for the exchange of proposed exhibits or prepared expert testimony, limit the number of witnesses, or establish any other procedure which may expedite the orderly conduct and disposition of the proceedings.

10.020 Action taken

Upon action of the presiding officer the action taken and the agreements made at a prehearing conference by the parties concerned shall be made a part of the record. When so ordered, the action will control the course of subsequent proceedings, unless modified at the hearing by the presiding officer.

10.030 Recessing hearing for conference

In any proceeding the presiding officer may call all parties together for a conference prior to the taking of testimony, or may recess the hearing for such a conference, in order to carry out the intent of this rule. The presiding officer shall state on the record the results of such a conference.

RULE 11

Hearings

11.010 Place and time

Notice of the place, date, and hour of a hearing shall be served on the parties of record and shall be published at least ten (10) days before the time set for the hearing. Hearings may be held at any location in the state that the Commission shall designate in the notice of hearing. To the extent possible, hearings will be held in the geographical area which is most nearly affected by the proceeding.

11.020 Notice of hearing

1. The notice of hearing shall contain the proceeding title, the general nature of the action, the city and address where the hearing will take place, and the date and time of the hearing.

2. An affidavit of publication shall be filed with the Commission.

3. A hearing shall be noticed by publication in the following manner:

a. The notice shall be published in an ad not less than 1 column inch by 3 inches, with a border on all sides in newspapers selected as follows:

(1) If the secretary determines that the subject matter of the hearing will have a statewide effect, the notice of hearing shall appear at least once in no fewer than six (6) newspapers of general circulation, published in the state, no two (2) of which may be published in the same county.

(2) If the secretary determines that the subject matter of the hearing will have an effect on only a limited number of counties, the notice shall be published once in a newspaper of general circulation published in each county where affected members of the public reside. If there is no newspaper published in a county where affected members of the public reside, the notice shall be published in a county adjacent to said county.

(3) A weekly recap of newspaper notices by the Commission shall be published in the Sunday edition of a Carson City newspaper of general circulation chosen by the Commission. However, the Sunday recap publication shall not be a substitute for the notice required by section 3(a)(1) or 3(a)(2) of this rule.

- b. A copy of the notice of hearing shall also be mailed by the Commission to each county or city clerk or each county or city where affected members of the public reside and to other persons designated by the Commission.

11.030 Failure to Appear

If an applicant, petitioner, or complainant fails to appear at the time and place set for hearing, the Commission may dismiss the petition, application, or complaint with or without prejudice, or may, upon good cause shown, recess the hearing to a future date to be set by the Commission to enable the applicant, petitioner, or complainant to attend.

11.040 Preliminary procedure

The presiding officer shall call the hearing to order, take the appearances of parties present, and act upon any pending motions or petitions. At the discretion of the presiding officer, the parties may make opening statements.

11.050 Testimony under oath

All testimony to be considered by the Commission in formal hearing, except matters noticed officially or entered by stipulation, shall be sworn testimony. Before taking the witness stand, each person shall swear or affirm that the testimony he is about to give at the hearing shall be the truth, the whole truth, and nothing but the truth.

11.060 Order of proceeding

1. Applicants, petitioners, or complainants shall present their evidence, then any parties of record opposing the application, petition, or complaint shall present their evidence. The presiding officer shall designate at which stage of the proceeding each intervenor shall be heard. Evidence shall ordinarily be received in the following order:

(a) Upon an application or petition:

- (1) Applicant or petitioner;
- (2) Commission staff;
- (3) Intervenors;
- (4) Rebuttal by the applicant or petitioner.

(b) Upon a complaint:

- (1) Complainant;
- (2) Respondent;
- (3) Commission staff;
- (4) Intervenors;
- (5) Rebuttal by complainant.

(c) Upon a complaint by the Commission or an order to show cause:

- (1) Commission staff;
- (2) Respondent;
- (3) Intervenors;
- (4) Rebuttal by Commission staff.

2. These procedures may be modified at the discretion of the Commission or presiding officer.

3. If two (2) or more matters are set for hearing at the same time and place, the matter having the lowest docket number shall be heard first, unless the presiding officer directs a different order for the convenience of the parties.

11.070 Consolidation

The Commission may consolidate two (2) or more dockets in any one hearing when it appears that the issues are substantially the same and that the rights of the parties will not be prejudiced by a consolidated hearing. At a consolidated hearing the presiding officer shall determine the order in which the parties shall introduce their evidence and the general procedure to be followed during the course of the consolidated proceeding. The presiding officer shall apportion the costs of the hearing among the parties in a manner not contrary to statute. Unless the Commission orders otherwise, the secretary shall place the same date of issuance and the same effective date, if applicable, on all orders made by the Commission in relation to a consolidated hearing.

11.080 Stipulations

With the approval of the presiding officer, the parties may stipulate as to any fact in issue, either by written stipulation introduced in evidence as an exhibit or by oral statement made upon the record. This stipulation shall be binding only upon the parties so stipulating and shall not be binding upon the Commission. The stipulation may be considered by the Commission as evidence at the hearing. The Commission or presiding officer may, however, require proof of the facts stipulated to by independent evidence, notwithstanding the stipulation of the parties. A stipulation without additional proof shall not bind the Commission in its determination of the matter.

11.090 Rules of evidence

In conducting any investigation, inquiry, or hearing, the Commission is not bound by the technical rules of evidence, and no informality in any proceeding or in the manner of taking testimony may invalidate any order, decision, rule, or regulation of the Commission. The rules of evidence of

courts of the state shall be generally followed but may be relaxed at the discretion of the presiding officer or Commission when deviation from the technical rules of evidence will aid in ascertaining the facts. An objection to the admissibility of evidence may be made by any party of record, and the objection shall be ruled on by the presiding officer. The Commission or presiding officer, either with or without objection, may exclude inadmissible, incompetent, repetitious, or irrelevant evidence. The evidence offered at hearing shall be material and relevant to the issues of the hearing.

11.100 Documentary evidence - exhibits

1. An exhibit should be limited in size to 8 1/2 by 13 inches when folded, unless otherwise permitted by the presiding officer. A copy of each documentary exhibit shall be furnished to each party of record, and five (5) copies shall be furnished to the Commission. A copy shall be submitted to the court reporter or transcriber. If relevant evidence is included in a written or printed statement, book, or document of any kind, containing other matter not relevant and not intended to be put in evidence, the statement, book, or document containing that other matter may not be received or admitted in whole. Counsel or other parties offering the evidence or exhibit shall present, in convenient and proper form for filing, a copy of the relevant portions, or at the discretion of the presiding officer, read these portions into the record. Any documentary evidence offered, whether in the form of exhibit or introduced by reference, shall be subject to appropriate and timely objection.

2. Abstracts of documents. If documents are numerous, such as freight bills or bills of lading, and a party desires to offer into evidence more than a limited number of these documents as typical of the others, an orderly abstract of relevant data contained in these documents may be prepared and offered as an exhibit. Other parties of record shall have a reasonable opportunity to examine both the abstract and the document.

3. Exhibits for rate cases. In a rate or other type of proceeding involving detailed accounting exhibits, the Commission may require each party to file with the Commission and to serve on each party of record a copy of these exhibits within a specified time before the hearing in order to enable the parties of record to study the exhibits and to prepare cross-examination with reference to them. Amendments to exhibits may be made after filing with the Commission if the amendments do not prejudice the rights of any party or if the amendments correct a clerical or mathematical error.

11.110 Prepared testimony

At the direction of the Commission, parties shall submit a copy of prepared testimony and accompanying exhibits to be presented at any hearing to each party of record within time periods prescribed by the Commission. Amendments to prepared testimony may be made after delivery

to the Commission, if the amendments do not prejudice the rights of any party of record. With the approval of the presiding officer, a witness may read into the record his testimony on direct examination. Before any prepared testimony is read, unless excused by the presiding officer, the witness shall deliver copies of the testimony to the presiding officer, the reporter, and each party of record. Admissibility of the prepared testimony shall be determined according to the rules governing oral testimony. If the presiding officer determines that substantial savings in time will result and the parties of record agree, prepared testimony may be copied into the record without being read.

11.120 Resolutions

A properly authenticated resolution of a federal or state agency or division, the governing body of a city, town, county, regional, or other municipal corporation, or of a chamber of commerce, board of trade, labor union, corporation, commercial, mercantile, agricultural, or manufacturing society, or other civic organization shall be received into evidence if offered by the president, secretary, or other proper representative of the corporation or organization. The resolution shall be received subject to rebuttal by adversely affected parties of record as to either the authenticity of the resolution or the circumstances surrounding its procurement. Recitals of fact contained in a resolution shall only be received for the limited purpose of showing the expression of the official action of the resolving body on the matters under consideration in the proceeding.

11.130 Additional evidence

At the hearing, the presiding officer may order the presentation of further evidence on any issue, but such an order shall not restrict the party required to present such further evidence from submitting all evidence which the party believes to be relevant to that evidence ordered to be presented. Upon agreement of the parties, the presiding officer may authorize the filing of specific documentary evidence as a part of the record within a fixed time after submission of the evidence. The presiding officer shall reserve exhibit numbers for such late-filed exhibits.

11.140 Rulings

The presiding officer shall rule on the admissibility of all evidence, subject to the requirements of Rule 11.090. In extraordinary circumstances, when a prompt decision by the Commission is necessary to promote substantial justice, the presiding officer may refer the matter to the Commission for determination and may recess the hearing pending that determination.

11.150 Motions for receipt into evidence

At the conclusion of the hearing, all evidence shall be received into the record subject to the ruling of the presiding officer on evidence to which timely objection has been made.

11.160 Objections to admission or exclusion of evidence

When an objection is made to the admission or exclusion of evidence, the grounds relied upon shall be stated briefly.

11.170 Order of commission for the attendance of witness or the production of books, papers, or other documents

1. Any party of record may request by motion that the Commission issue an order for the appearance of a witness at any designated place of hearing or for the production of a book, paper, or document. If the Commission determines that the requested book, paper, document, or witness is relevant to the proceeding, the Commission shall issue an order for the appearance of the witness or the production of the book, paper, or document.

2. The motion shall set forth reasons for the issuance of the Commission order for the attendance of the witness or for the production of the specific book, paper, or document.

11.180 Depositions

The Commission or any party of record may cause the depositions of witnesses to be taken in the manner prescribed by law and rule of court for depositions in civil actions.

11.190 Continuances

The Commission or presiding officer may, for good cause, either before or during a hearing, grant a continuance of a hearing for the convenience of the parties or the Commission.

11.200 Briefs

In any hearing, the presiding officer may order briefs to be filed within a reasonable time. An original and three (3) copies of each brief shall be filed with the Commission and shall be accompanied by an acknowledgement of or an affidavit showing service on each party of record, as provided in Rule 9.030.

11.210 Oral argument

The Commission may, following the filing of briefs or upon contested motions, set the matter for oral argument upon ten (10) days' notice to each party of record, unless the Commission considers a shorter time advisable.

11.220 Joint hearings

When the Commission participates jointly with a federal regulatory agency, the rules of practice and procedure of the federal agency shall

govern. When the Commission participates jointly with an administrative body of another state or states, the rules of the state where the hearing is held shall govern the proceeding, unless otherwise agreed upon by the participating agencies. Any person entitled to appear in a representative capacity for any of the agencies involved in a joint hearing may do so in the joint hearing.

11.230 Official notice

The Commission may take official notice of the following matters:

1. Rules, regulations, official reports, decisions, and orders of the Commission and of any regulatory agency of the State.

2. Contents of decisions, orders, certificates, and permits issued by the Commission.

3. Matters of common knowledge, and technical or scientific facts of established character.

4. Official documents, if pertinent, when properly introduced into the record of formal proceedings by reference; however, proper and definite reference to the document shall be made by the party offering the document, and the document shall be generally circulated so that an opportunity is provided to each party of record to examine the document and to present rebuttal evidence.

11.240 Public hearings

All hearings conducted by the Commission shall be open to the public and shall be properly noticed in accordance with law.

11.250 Transcripts

The Commission shall cause a record to be made of its public hearings. Except for a complaint or show-cause order, charges for copies of the transcript required by the Commission for its own purposes shall be paid by the moving party. Any party desiring copies of a transcript may obtain the transcript from the official reporter upon payment of the fees fixed for transcript copies. The original and one (1) copy of each transcript shall be provided to the Commission by the initiating party. The costs for a transcript shall be paid for as provided in NRS 704.480.

11.260 Offer of proof

An offer of proof for the record shall consist of a statement of the substance of the evidence to which an objection has been sustained.

11.270 Proposed findings and conclusions of parties

The presiding officer may require any party of record to file proposed findings of fact and conclusions of law at the close of the proceeding. The presiding officer shall fix the time in which these proposed findings and conclusions shall be filed. No decision, report, or recommended order may be made until after the expiration of this fixed time.

1. Contents. Each proposed finding of fact and conclusion of law shall be clearly and concisely stated and numbered. Each proposed finding of fact shall specifically show by appropriate transcript references the testimony which supports the statement.
2. Copies Required. An original and four (4) copies of findings of fact and conclusions of law, accompanied by a certificate of service, shall be filed by each party with the Commission, and one (1) copy shall be served upon each party of record.
3. Extension of Time. Any party of record may petition the Commission for an extension of time in which to file proposed findings of fact and conclusions of law.

11.280 Reopening proceedings

At any time after the conclusion of a hearing and before the issuance of a final order, the Commission on its own motion may reopen the proceedings for the taking of additional evidence.

RULE 12

Decisions and Orders

12.010 Submission for decision

Unless otherwise specifically ordered, a matter shall stand submitted for decision by the Commission at the close of the hearing, the filing of briefs, the presentation of oral argument, or the filing of proposed findings and conclusions of the parties as may have been ordered by the Commission or the presiding officer, whichever occurs last.

12.020 Proposed orders

If the Commission determines that any matter or proceeding will be best handled by the issuance of a proposed order by the Commission, such an order shall be issued and the parties so notified. Any party of record to the proceeding may file a petition requesting that a proposed order be issued by the Commission, but it shall be within the discretion of the Commission to grant or deny such a petition. Such petition shall be filed and served in accordance with Rule 9 and shall set forth the reasons for issuing such a proposed order and state that it will promote the administration of justice and will not cause unreasonable delay in the final determination of the proceeding. Objections may be served and filed by other parties of record within five (5) days after service of the petition. Upon receipt of a proposed order, any party of record may file exceptions to the order within twenty (20) days from the date of service unless a greater or lesser time is designated by the Commission at the time of issuance of the proposed order. Exceptions to the proposed order shall be filed and served in accordance with Rule 9, and a party may answer the exceptions within ten (10) days after service of the exceptions upon him. Briefs may accompany the exceptions or answers to the exceptions and shall be filed and served in the same manner. After full consideration of the proposed order, the exceptions, answers, and briefs, the Commission may affirm its proposed order by service of an order of affirmance upon the parties or if it deems the exceptions well taken may revise the proposed order and issue a final order differing from the proposed order. The proposed order is not a final or official order of the Commission subject to appeal unless it becomes an official order of the Commission by affirmance, in which event the date of the order of affirmance becomes the date of issuance of the order.

12.030 Service of orders

A certified order of the Commission shall be served by the secretary by mailing a copy of the order to the parties of record or by personal service on them. If a party desires additional copies of the order, the Commission should be notified of the number of copies desired.

RULE 13

Reconsideration

13.010 Form, filing, and service

A petition for reconsideration of an order may be filed with the Commission. In addition to complying with Rule 7, the petition shall be filed with the Commission within fifteen (15) days after the issuance by the Commission of the final decision or order sought to be reconsidered, and the petitioner shall serve a copy of the petition upon each party of record to the original proceeding.

13.020 Specification of errors

A petition for reconsideration shall set forth specifically and concisely the alleged errors in the Commission order sought to be reconsidered. The petition may not contain additional evidentiary matters or require the submission or taking of evidence.

13.030 Action by the Commission

The Commission shall consider the petition for reconsideration and may grant or deny it within twenty (20) days from the date of its filing. If no action is taken by the Commission within the time specified, it shall be considered denied.

13.040 Response to petition by other parties

No answers to a petition for reconsideration may be entertained by the Commission. If, and to the extent, however, reconsideration is granted by the Commission, a response in the nature of an answer may be filed by any party of record within fifteen (15) days after the issuance of the order granting reconsideration. The response shall be confined to the issues upon which reconsideration has been granted, and the responding party shall serve a copy of the response on each party of record.

13.050 Commission consideration and disposition

1. If the Commission grants the petition for reconsideration, its order granting reconsideration shall state the issues upon which the petition has been granted. The Commission may request the filing of briefs by the parties on issues raised by the petition. No evidence may be taken nor shall any hearing be held under this rule.

2. After reconsideration, if the Commission is of the opinion that the original order, decision, or any part of it is in any respect unjust, unwarranted, unlawful, or in need of change, the Commission may abrogate, change, or modify the decision, the order, or both.

3. A decision shall be rendered within forty-five (45) days after granting a petition for reconsideration.

13.060 Effect of filing

Unless otherwise ordered by the Commission, no filing of a petition for reconsideration or granting of the petition shall excuse compliance with or otherwise suspend the effectiveness of the final decision or order upon which the petition for reconsideration was filed.

13.070 Effect of modifying order

Any modifying order of the Commission issued pursuant to this rule shall incorporate those portions of the prior order which have not been changed or modified by the modifying order. For purposes of appeal, a modifying order shall be considered to be the final order of the Commission.

RULE 14

Time, Extensions of Time, Issuance of Orders

14.010 Computation of time

Except as otherwise provided by law, in computing any period of time prescribed or allowed by these rules or any other rule, regulation, or order of the Commission, the day of the act, event, or default from or after which the designated period of time begins to run shall not be included; the last day of the period so computed shall be included, but if it is a Saturday, Sunday, or legal holiday, the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday. A part-day holiday shall be considered a weekday and not a holiday.

14.020 Issuance of orders

The date of issuance of an order shall be the day the secretary signs and verifies the order and affixes the seal of the Commission on the order. The secretary shall mail or deliver copies of the order to the parties of record no later than one day following the date of issuance. The date of issuance of an order may or may not be the day of decision by the Commission. The secretary shall clearly indicate on each order the date of its issuance.

14.030 Effective date of orders

Unless otherwise specifically provided in the order, an order of the Commission shall be effective as of the date of its issuance.

14.040 Extension of time

Except as otherwise provided by law, whenever an act is required or allowed under any rule, regulation, or order of the Commission, or any notice given thereunder, to be done at or within a specified time, the time fixed or the time prescribed may be extended by the Commission for good cause upon a motion made before the specified period expires.

RULE 15

Rate Increase Applications by Air or Rail Carriers

15.010 Information Required

In addition to the requirements of Rule 7, an application by or on behalf of any air or rail carrier for increased rates or fares shall include as exhibits the following information:

1. A statement in tariff format showing in full the rates or fares, rules or regulations desired to be put into effect or the general relief requested.
2. A statement or reference in tariff format showing the rates or fares, rules or regulations which will be superseded by the proposed rates.
3. An applicant for a rate increase has the burden of justifying the requested rate increase. A complete and accurate statement of the circumstances and conditions relied on as justification for the rate increase shall be submitted. The following information shall be submitted:
 - (1) The total amount of Nevada intrastate revenue the proposed rates would produce if placed into effect for the test year.
 - (2) Reasons in support of the proposed rates and resultant operating ratios.
 - (3) If the applicant's air or rail carrier operations are seasonal, a list of the months of the year during which the air or rail carrier operates.
4. A reference record of prior Commission action, if any, in any proceeding relative to the existing or proposed rates.
- 5.a. An operating statement (profit and loss) for the full twelve-(12) month period immediately preceding, insofar as practicable, the application date. This operating statement shall show the amounts of revenue and expense for each account for Nevada intrastate operations in separate columns. Other revenue and expense amounts for each account for operations in other states or in interstate commerce may be combined in a separate column. Total revenue and expense for entire operations shall be shown by account in a "Total" column indicating the operations of the entire carrier.

- b. A balance sheet for the entire carrier operation as of the date of the operating statement required in section 5(a) of this rule.
- c. An explanation shall accompany the financial statements showing:
 - (1) Allocation procedures used to separate expense amounts between Nevada intrastate operations and other interstate/ intrastate operations.
 - (2) Whether or not records are kept on a daily or monthly basis to determine basic data from which allocation criteria were developed.
 - (3) If any of the data required in section 5 of this rule are not furnished with the application, the full and specific reasons why the data are omitted.
- d. In any application filed by or on behalf of a group of air or rail carriers as parties to a single regional or statewide tariff, the following information shall be submitted:
 - (1) A statement listing all of the carriers who are parties to the tariff for which relief is sought and the date each air or rail carrier became a party to that tariff.
 - (2) An operating statement, balance sheet, and financial statement explanation as required in sections 5(a), 5(b), and 5(c) of this rule for each participating carrier or for each carrier being used as representative of the group.
 - (3) A consolidated statement showing the Nevada intrastate operating revenues and expenses for the participating or representative group of carriers. This statement shall show the Nevada intrastate operating ratio for each participating or representative carrier and a composite operating ratio for the participating or representative carriers.
- e. In any application for a single rate applying to a specific commodity that has not previously been included in the applicant's tariff, sufficient cost data to demonstrate that the proposed rate would be fully compensatory and would not involve an excessive charge may be substituted for the requirements of sections 5(a) to 5(d) of this rule, inclusive.

6. Any additional information that the Commission may request or information the applicant feels is necessary or appropriate for a more complete understanding of the application.
7. A suggested wording for the public notice to be published in accordance with Rule 9.040 may be submitted by the applicant.

RULE 16

Uniform Filing Requirements for Public Utilities
Requesting Rate Adjustments

16.010 Applicability

This rule applies to all electric, gas, telephone, telegraph, and community antenna television companies, and sewer and water public utilities under the jurisdiction of the Commission.

16.020 Information required in application

In addition to the requirements of Rule 7, an application by a public utility for increased rates or charges shall include as a part of the application:

1. An exhibit in tariff format showing in full the rates or fares, rules or regulations desired to be put into effect or the general relief requested.
2. An exhibit in tariff format showing in full the rates or fares, rules or regulations which will be superseded by the proposed rates.
3. A complete and accurate explanation of the circumstances and conditions relied upon as justification for the application.
4. A reference record of prior Commission action, if any, in any proceeding relative to the existing and proposed rates.
5. A suggested wording for the public notice to be published in accordance with Rule 9.040 may be submitted by the applicant.

16.030 Information required to be filed simultaneously with application

The statements and schedules prescribed under Rules 16.080 to 16.090, as applicable, shall be filed with the Commission simultaneously with the application. An index of the statements and schedules submitted and the workpapers prepared in accordance with Rule 16.060 shall also accompany the application.

16.040 Supplementary information

The Commission may request that information in addition to that specifically required in the following sections of Rule 16 be submitted by a utility.

16.050 Illustrative format

Copies of illustrative statements and schedules shall be available at the Commission's offices during business hours.

16.060 General instructions

1. Scope of presentation and preparation for hearing

Applicant shall be prepared to go forward at hearing on the data which have been submitted and to sustain the burden of proof of establishing that its proposed changes are just and reasonable and not unduly discriminatory or preferential. In order to avoid delay in processing rate filings, the material relied on in the application should be of such composition, scope, and format that it would serve as the applicant's complete case in the event the rate is suspended and the matter is set for hearing.

2. Format of statements and schedules

Statements and schedules shall generally follow the illustrative examples mentioned in section 16.050. Each item shall be labeled as provided in Rule 16, and in addition to being mathematically correct and properly cross-referenced, shall indicate the date or time periods covered by the statement or schedule.

3. Non-applicable statements and schedules

All statements and schedules required to be submitted to the Commission under the provisions of Rule 16.080 or 16.090 shall accompany the application in alphabetical sequence. If the applicant believes that any required statement or schedule is not applicable in the circumstances, a written explanation for the omission shall be submitted in lieu of the required statement or schedule.

4. Recorded data and adjustments

Amounts purporting to represent recorded data included in statements and schedules required by Rule 16 shall be reported in a separate column or columns. Adjustments to recorded amounts shall also be reported in a separate column or columns so that recorded amounts, adjustments thereto, and adjusted amounts will be clearly disclosed.

Adjustments to recorded data shall be supported by workpapers detailing the calculations, units, unit rate, changes, and any other accounting or financial data necessary to completely explain and justify the proposed adjustments.

5. Reliance on other data

If the applicant has relied on data in support of its rate increase other than that presented in the statements and schedules prescribed, that data shall be submitted in addition to the prescribed statements and schedules.

6. Supporting data

- (a) The data in support of the proposed increased rates shall include the required particulars of recorded data, adjustments, and other computations and information on which the company relies to justify the proposed rates.
- (b) Any data or summaries included in the application that reflect the book of accounts shall be supported by accounting working papers. The working papers shall set forth all necessary particulars from which an auditor may readily identify the book data included in the filing in separate columns and verify that such data are in agreement with the applicant's book of accounts. All statements, schedules, and working papers shall be prepared in accordance with the classifications provided in the Uniform System of Accounts applicable to the applicant. Working papers disclosing full particulars and cross-referenced shall be available for staff examination in support of all adjustments, computations, and other information included in the application.
- (c) Each applicant shall, prior to filing, prepare and maintain work papers sufficient to support the filing. Failure to produce promptly such working papers on request by an authorized representative of the Commission may be cause for dismissal by the Commission of the tendered filing in its entirety. In addition to the working paper support, the following specific material normally prepared by the applicant shall be available for staff verification and analysis, and a copy shall be furnished upon request. The following documents are additional information which the Commission may request pursuant to NRS 704:180:
 - (1) Copies of monthly financial reports prepared for management purposes.
 - (2) Copies of accounting analyses of balance sheet accounts.

- (3) Complete trial balances of all the balance sheet accounts at the beginning and end of the twelve (12) months of actual experience, and revenue and expense accounts for the twelve (12) months of recorded data used for the application.
- (4) Analyses of the miscellaneous revenues and related expenses included in the submitted results of operations.
- (5) Analyses of retained earnings and capital surplus accounts.
- (6) Copies of all relevant reports and correspondence with other regulatory agencies.
- (7) Copies of all relevant reports, returns, and correspondence with federal, state and local taxing authorities.
- (8) Copies of all management studies prepared by outside consultants and all management reports and letters prepared by outside auditors.

16.070 Deferred energy filings

Any deferred energy information submitted shall be prepared and filed in accordance with Commission General Order No. 21.

16.080 Filing Requirements for utilities with annual gross operating revenues in excess of \$250,000

An applicant with annual gross operating revenues in excess of \$250,000 shall submit the following statements and schedules:

1. Statement A - Balance Sheet

A balance sheet on a total company basis in the order of accounts prescribed by the Commission's Uniform System of Accounts as of the beginning and end of the test period; similarly, a balance sheet on a consolidated basis if the applicant is a member of an associated group of companies.

2. Statement B - Income Statement

An income statement on a total company basis in the order of accounts prescribed by the Commission's Uniform System of Accounts for the test period; similarly, an income statement on a consolidated basis if the utility is a member of an associated group of companies.

3. Statement C - Statement of Retained Earnings

A statement that shows the balance at the beginning of the test period with debits and credits to retained earnings during the test period according to descriptive captions, and the resultant balance at the end of the test period.

4. Statement D - Statement of Changes in Financial Position

A statement that satisfies both the letter and spirit of Opinion 19 issued by the Accounting Principles Board of the American Institute of Certified Public Accountants.

5. Statement E - Accountant's Reports and Footnotes

A statement that contains any accountant's or outside auditor's reports, opinions or footnotes applicable to any portion of the period included in Statements A, B, C, and D, and related footnotes.

6. Statement F - Weighted Cost of Capital

A statement that shows the dollar amount of each component of the capital structure, its related cost percentage, and the proportion of each capital structure component to the total capital structure. This statement shall also show the percentage overall rate of return requested and the general reasons therefor.

a. Schedule F-1 - Cost of Debt

A schedule that shows the weighted average cost of debt capital based upon the following data for each class and series of debt outstanding according to the balance sheet as of the end of the test period and the cost of new securities issued pursuant to subsection 3 of NRS 704.110:

- (1) Title
 - (2) Date of issuance and date of final maturity
 - (3) Interest rate
 - (4) Principal amount of issue
- Gross proceeds
- Discount, or premiums, if any
- (5) Issuance expense, including underwriters' discounts or commissions

Amount
Percent of gross proceeds

- (6) Principal amount of issue outstanding, unamortized discount and expense, and net proceeds outstanding
- (7) Effective cost of money
- (8) If issue is owned by an affiliate, state the name and relationship of owner.
- (9) If the company has acquired at a discount or premium some part of the outstanding debt which could be used in meeting sinking fund requirements, or for other reasons, it shall show the annual amortization of the discount or premium, for each series of debt from the date of reacquisition, over the remaining life of the debt being retired and separately show the total discount and premium as a result of such amortization, applicable to the test period.

b. Schedule F-2 - Cost of Preferred Stock

A schedule that shows the weighted average cost of preferred stock capital based upon the following data for each class and series of preferred stock outstanding according to the balance sheet as of the end of the test period and the cost of new securities issued pursuant to subsection 3 of NRS 704.110.

- (1) Title
- (2) Date of issuance
- (3) If callable, call price
- (4) If convertible, terms of conversion
- (5) Dividend rate
- (6) Par or stated amount of issue:
 - Gross proceeds
 - Premium, if any
- (7) Issuance expenses, including underwriters' discount or commission:
 - Amount
 - Percent of gross proceeds
- (8) Net proceeds
- (9) Cost of money

- (10) Whether issue was offered to stockholders through subscription rights or to the public.
- (11) If issue is owned by an affiliate, state the name and relationship of owner.

c. Schedule F-3 - Cost of Common Equity

A schedule that shows the derivation and justification for the cost of common equity included in Statement F.

d. Schedule F-4 - Common Stock Sales

A schedule that shows for each issue of common stock during the six -year period preceding the balance sheet as of the end of the test period and the cost of new securities issued pursuant to subsection 3 of NRS 704.110:

- (1) Number of shares sold
- (2) Gross proceeds at offering price
- (3) Underwriters' discount or commission:

Amount
Percent of gross proceeds

- (4) Proceeds to applicant
- (5) Issuance expenses

Amount
Percent of gross proceeds

- (6) Net proceeds

Offering price per share
Net proceeds per share

7. Statement G - Summary of Rate Base Components

A statement that summarizes the overall utility rate base from the figures contained on the supporting schedules.

a. Schedule G-1 - Cost of Plant

A schedule that shows in summary form the amounts of utility plant for Nevada classified by primary accounts as of the beginning of the test period, the book additions and reductions (in separate columns) during

the twelve (12) months, and the book balances at the end of the test period. In adjoining columns there shall be shown the claimed adjustments, if any, to the book balances and the total cost of plant. All adjustments shall be fully and clearly explained in the supporting material submitted.

b. Schedule G-2 - Accumulated Provisions for Depreciation, Amortization and Abandonment

A statement that shows by primary accounts the accumulated provisions for depreciation, amortization, and abandonment as of the beginning of the test period, the book additions and reductions during the twelve (12) months, and the balances at the end of the test period. In adjoining columns there shall be shown adjustments to these ending book balances and the total adjusted balances. All adjustments shall be clearly and fully explained in the supporting material submitted.

c. Schedule G-3 - Depreciation Methods

A schedule that provides a description of the methods, procedures, and rates used in depreciating or amortizing plant which were previously authorized by the Commission, and a description of any changes in methods or rates since the last order of the Commission setting rates or charges for the applicant.

d. Schedule G-4 - Materials and Supplies

A schedule that shows the recorded balances for each component of materials and supplies by month, so that an allowance for the average of thirteen (13) months' balances of materials and supplies can be calculated. The schedule shall also show the allocation of each component to each account of materials and supplies for Nevada jurisdictional operations. An applicant reporting less than \$250,000 in annual gross operating revenues may compute the materials and supplies rate base component by averaging the beginning and ending balances for the test period.

8. Statement H - Summary of Earnings

A statement that summarizes the overall results of operations developed from the supporting schedules and statements. The statement shall show the amounts as recorded on the applicant's books, adjustments during the test year for known changes, and estimated adjustments to be certified by the applicant. The statement shall also include the requested rate of return and shall show the application of the requested rate of return to the overall rate base.

9. Statement I - Summary of Earnings as Adjusted for Certification

If Statement H contains adjustments for estimated changes beyond the actual test year then certification of these amounts shall be submitted in accordance with subsection 3 of NRS 704.110. The certified amounts shall be shown on the statement in the same format as Statement H. This statement shall begin with the results of operations as recorded and as adjusted for known changes during the test year from Statement H. Each certified

adjustment shall then be shown. The necessary detail supporting each certified adjustment shall be submitted with the statement.

10. Statement J - Operating Revenues

A statement that shows utility operating revenues classified in accordance with the operating revenue accounts prescribed by the Commission's Uniform System of Accounts. Sales and service shall be classified as between departments, jurisdictional and non-jurisdictional as applicable. Statement J shall disclose, using supporting schedules as necessary, revenues by months and the revenue totals for the test period from jurisdictional sales as computed under the presently effective and proposed rates together with the differences in the annual revenues, and the actual annual revenues from the non-jurisdictional sales.

11. Statement K - Operations and Maintenance Expenses

A statement that shows the operation and maintenance expenses according to each account of the Commission's Uniform System of Accounts. The expenses shall be shown under appropriate column headings, as follows, with subtotals for each functional classification:

- a. Operation and maintenance expense by months, as booked, for the test period, and the total thereof;
- b. Adjustments, if any, to expenses booked; and
- c. Total adjusted operation and maintenance expenses claimed.

Detailed explanations of the adjustments, if any, and the manner of their determination shall be supplied, specifying the month or months during which the adjustments would be applicable.

a. Schedule K-1 - Labor Costs

A schedule that shows the segregation of operation and maintenance expense, and their functional groupings, into a labor component and a component embracing the remainder of the expenses. This segregation into components shall be applicable to the recorded account balances for the test year and to any adjustments thereto.

b. Schedule K-2 - Advertising Costs

An account analysis in schedule format for the test year disclosing the classification of principal charges and credits for advertising costs; particulars of supporting computations and accounting bases; a description of service and related dollar amounts for which liability is incurred or accrued and the name of the firm or individual rendering the services.

c. Schedule K-3 - Outside Services Employed

An account analysis in schedule format for the test year disclosing the classification of principal charges and credits for outside services employed; particulars of supporting computations and accounting bases; a description of service and related dollar amounts for which liability is incurred or accrued; and the name of the firm or individual rendering the services.

d. Schedule K-4 - Employee Pensions and Benefits

An account analysis in schedule format for the test year disclosing the classification of principal charges and credits for employee pensions and benefits; particulars of supporting computations and accounting bases; a description of service and related dollar amounts for which liability is incurred and accrued; and the name of the firm or individual rendering the services.

e. Schedule K-5 - Regulatory Commission Expenses

An account analysis in schedule format for the test year disclosing the classification of principal charges and credits for regulatory commission expenses; particulars of supporting computations and accounting bases; a description of service and related dollar amounts for which liability is incurred or accrued; and the name of the firm or individual rendering the services.

f. Schedule K-6 - Miscellaneous General Expenses

An account analysis in schedule format for the test year disclosing the classification and principal charges and credits for miscellaneous general expenses; particulars of supporting computations and accounting bases; a description of service and related dollar amounts for which liability is incurred and accrued; and the name of the firm or individual rendering the services.

g. Schedule K-7 - Intercompany and Interdepartmental Transactions

If the expense accounts contain charges or credits from associated companies or nonutility departments of the applicant, the applicant shall submit a schedule, or schedules, as to each such associated company or nonutility department showing:

- (1) The amount of the charges or credits during each month and in total for the test year.
- (2) The account classification or classification charged or credited.
- (3) A description of the specific services performed for or by the associated company or nonutility department.

- (4) The bases used in determining the amounts of the charges or credits.

12. Statement L - Depreciation and Amortization Expense

A statement that shows separately the plant depreciation and amortization expense by functional classifications. These expenses shall be shown in separate columns as follows:

- a. Expenses for the test period;
- b. Adjustment, if any, to such expense; and
- c. The total adjusted expense claimed.

The bases, methods, essential computations and derivation of unit rates for the calculation of depreciation and amortization expense for the twelve (12) months of actual experience and for the adjustments thereto, if any, shall be fully and clearly explained. The amounts of depreciable plant shall be shown by functional accounts. Any deviation from the rates used in disposing of the applicant's last previous rate filing or determination by the Commission shall be explained, showing the rate or rates previously used and the supporting data for the new rate or rates used for this application.

a. Schedule L-1 - Reconciliation of Depreciation

A schedule that reconciles the depreciable plant listed on Statement L with the aggregate investment in plant shown on Schedule G-2 and shows the distribution of depreciation and amortization expenses to the various general ledger accounts.

13. Statement M - Federal Income Taxes

A statement that shows the computation of allowances for federal income taxes for the test period. To indicate the accounting classification applicable to the amount claimed, the computation of the federal income tax allowance shall show separately the amounts designated as current tax and deferred tax.

a. Schedule M-1 - IRS Schedule M Adjustments

In support of federal income taxes the company shall submit a complete reconciliation of the book net income with taxable net income as reported to the United States Internal Revenue Service for the most recent year for which a tax return was filed and the three (3) preceding years. A complete explanation of all items in the reconciliation shall be submitted. If the tax allowances claimed give effect to omission of items appearing in the reconciliations for the most recent tax return or to inclusion of items not appearing therein, the reasons for the omissions or inclusions shall be submitted.

b. Schedule M-2 - Tax Depreciation

If tax depreciation differs from book depreciation, the company shall file a schedule showing the computation of the tax depreciation which will indicate:

- (a) Differences between book and tax depreciation on a straight-line basis; and
- (b) The excess of any accelerated depreciation and amortization used for tax purposes over straight-line depreciation.

The schedule shall pertain to the most recent year for which a tax return was filed and for the three (3) previous years.

c. Schedule M-3 - Consolidated Tax Returns

If the applicant joins in the filing of a consolidated federal income tax return, the applicant shall submit a schedule showing the net taxable income or loss for each company or regulated entity in the consolidation, including an adjustment of the excess of accelerated depreciation and amortization of emergency facilities over straight-line depreciation for each company involved.

Applicant shall also submit, with the statement of taxable net income or tax loss of each individual company participating in the consolidated returns, the details of consolidating adjustments and a computation of the system tax liability based on the consolidated net income for the last tax year ending within the test period, or immediately prior thereto, for which a tax return was filed. In addition, the applicant shall include a computation showing the percentage of tax savings arising from consolidation for the taxable year or years covered by the test period.

d. Schedule M-4 - Accumulated Deferred Income Taxes

A schedule that shows monthly book balances of accumulated deferred income taxes for each of the twelve (12) months during the test period.

e. Schedule M-5 - Other Taxes

A schedule that shows the utility taxes, other than income taxes in separate columns, as follows: (a) tax expense per books for the test period, (b) adjustments, if any, to amounts booked, and (c) the total adjusted taxes claimed. The taxes shall be shown by states and by kind of taxes.

14. Statement N - Allocations

A statement that shows the allocation of both rate base components and components of the results of operations between or among departments, jurisdictions,

or regulated and non-regulated operations, as applicable. The statement shall show the total balance of each item to be allocated and the portion allocated to each department, jurisdiction, or other category. The statement or appropriate supporting schedules shall provide sufficient information as to methods, procedures, data, and derivation of percentages and ratios to permit the Commission to review the applicant's procedures and to independently allocate any adjustments to applicant's statements or schedules using the same method employed by applicant.

15. Statement 0 - Rate Design

In support of the design of a proposed rate, the applicant shall submit the following material:

- (a) A narrative statement describing and justifying the objectives of the design of the proposed rate. If the purpose of the rate design is to reflect costs, the narrative shall state how that objective is achieved, and shall be accompanied by the summary cost analysis that would justify the rate design. If the rate design is not intended to reflect costs (whether fully distributed, incremental, or other), a statement shall be furnished justifying the departure from cost-based rates.
- (b) If the billing determinants (quantities of demand, energy, delivery points, etc.) are on different bases than the cost allocation determinants supporting the charges, an explanation shall be submitted setting forth the economic or other considerations which warrant such departure. The explanation shall include, but need not be limited to, the following:
 - (1) If the individual rates for the demand, energy, and customer charges do not correspond to the comparable cost classifications supporting such charges, a detailed explanation shall be submitted stating the reasons for the differences.
 - (2) If the rates being charged contain more than one demand or energy block, a detailed explanation shall be submitted indicating the rationale for the blocking and the considerations upon which the blocking is based, and adequate cost support for the specific blocking.
 - (3) The average number of customers, by class, on each of the currently effective rate schedules, during the test period.
 - (4) The average number of units of energy sold in each rate block of each rate schedule during the test period.

- (5) The revenue attributable to each rate schedule during the test period, computed from the average number of customers and units of energy sold during the test period and the applicant's currently effective rate schedules.

16. Statement P - Changes in Presentation or Accounting

Applicant shall disclose on this statement all changes in presentation for ratemaking purposes and all changes in accounting methods, procedures, and allocations adopted since the test year presented in the prior general rate case. The disclosure shall include a description of both the new method and the old method and a calculation illustrating any effect of the change upon applicant's weighted cost of capital, rate base, or summary of earnings.

16.090 Filing requirements for utilities with annual gross operating revenues of less than \$250,000

An applicant with annual gross operating revenues of less than \$250,000 shall submit statements A through P as listed in Rule 16.080. Supporting schedules may be submitted in addition to the required statements.

16.100 Certified Adjustments

1. The following estimated and subsequently experienced adjustments may be certified up to six (6) months beyond the test period pursuant to subsection 3 of NRS 704.110 and reported in a rate increase application in Statement I of Rule 16.080:
 - a. The costs of new securities as defined in NRS 704.322 and the associated interest expense as an adjustment to federal income tax calculation.

 - b. Rate base adjustments that reflect increased investments in facilities used and useful in utility operations and the deduction of the appropriate amounts from construction work in progress as a factor in allocating interest costs between departments.
 - c. Expenses which are:
 - (1) Fuel costs that are (a) purchased power, which are kilowatts of demand when they are computed on the basis of a ratchet clause; or (b) adjustments for changed unit cost factors for power and fuel and resulting sales tax and unit cost charges for freight applied to the test period units.

- (2) Labor cost adjustments for per unit rate change and associated labor costs, pensions, benefits, and taxes, when such taxes are a direct result of the per unit rate change of labor costs.
 - (3) Research and development costs that are due to a unit rate change.
 - (4) Property taxes that are due to a unit rate change.
 - (5) Depreciation that is due to a unit rate change which has previously been approved in writing by the Commission.
 - (6) Insurance that is (a) based on a unit rate change; or (b) directly associated with revenue increases; or (c) directly associated with labor cost increases due to labor cost adjustments described in subsection 1(c)(2)(7) of this rule.
2. Each adjustment should also include an appropriate federal income tax calculation.
 3. For the purposes of this rule, the following definitions apply:
 - a. "Unit" means the quantitative measurement of an item, or level of use, consumption, or effort.
 - b. "Unit cost" means that cost which when multiplied by the number of units within a given time period results in the aggregate dollar amount applicable to that period.
 - c. "Unit rate" is that rate which when multiplied by the number of units within a given time period results in the aggregate dollar amount applicable to that period.
 4. The number of units multiplied by the unit or rate equals the cost.

16.110 Number of copies

At the date of filing, one (1) original and seven (7) copies of the complete set of the applicant's required statements, schedules and exhibits shall be provided to the Commission.

16.120 Service of application

A copy of an application filed under this rule shall be served by the applicant on each county and municipality whose citizens would be affected by the proposed increase in rates sought by the applicant as well as on each party of record.

16.130 Notice to customers of the public utility

1. When a public utility files a general rate increase application pursuant to this rule proposing to increase any rate or charge for the service or commodities furnished by it in order to increase the utility's return on investment, and the Commission has set a date for hearing the application, the public utility shall provide notice to its customers affected by the proposed increase. The notice shall state the date, time, and place of the hearing, the amount of the proposed increase in dollar terms, and a brief statement of the reasons the increase is sought. The notice shall be given at least 10 days prior to the hearing by one of the following methods:

- a. Included in the regular bill of charges transmitted to the utility's customers;
- b. Mailed separately to each customer of the utility; or
- c. Prominently presented in one or more forms of the media, such as newspapers, television, or radio, so as to be reasonably calculated to reach the utility's customers.

2. At or before the hearing, the utility shall submit a verified statement to the Commission that:

- a. States that the notice required by this rule has been given;
- b. Lists the means, dates, and times that the notice was mailed, published, or broadcast; and
- c. Includes as attachments sample copies of the notice as mailed, published, or transcribed.

RULE 17

Rate Increase Applications by Motor Carriers

17.010 Scope

This rule applies to all applications for rate increases by common and contract motor carriers under the jurisdiction of the Commission. This rule shall not apply to applications or tariff filings by the National Motor Freight Classification or the ATA Hazardous Materials Tariff.

17.020 Information required

In addition to the requirements of Rule 7, applications by or on behalf of any motor carrier company, issuing agency, or agent for increased rates or fares shall include as exhibits the following information:

1. A statement in tariff format showing in full the rates and fares, rules or regulations desired to be put into effect or the general relief asked for.
2. A statement in tariff format or reference showing the rates or fares, rules or regulations which will be superseded by the proposed rates.
3. An applicant for a rate increase must bear the burden of justifying the requested rate increase. A complete and accurate statement of the circumstances and conditions relied on as justification for the rate increase shall be submitted. The following information shall be submitted:
 - a. The total amount of Nevada intrastate revenue the proposed rates would have produced if such rates had been in effect during the test year.
 - b. Applicant's reasons that the operating ratio resulting from the application of the proposed rates would be reasonable.
 - c. If the applicant's motor carrier operations are seasonal, a list of the months of the year during which the motor carrier operates.
4. A record of Commission action, if any, in any prior docket relative to the existing or proposed rates.
5. a. An operating statement (profit or loss) for the full twelve-(12) month period immediately preceding, insofar as practicable, the application date. This operating statement shall show the amounts of revenue and expense for each account for Nevada intrastate operations in separate columns. Other revenue and expense amounts for each account for operations in other states

or in interstate commerce may be combined in a separate column. Total revenue and expense for entire operations shall be shown by account in a "Total" column indicating the operations of the entire company.

b. A balance sheet for the entire carrier operations as of the date of the operating statement required in section 5(a) of this rule.

c. An explanation shall accompany the financial statements showing:

(1) Allocation procedures used to separate expense amounts between Nevada intrastate operations and other interstate/intrastate operations.

(2) Whether or not records are kept on a daily or monthly basis to determine basic data from which allocation criteria were developed.

(3) If any of the data required in section 5 of this rule are not furnished with the application, the full and specific reasons why the data are omitted.

d. In any application filed by or on behalf of a group of motor carriers as parties to a single regional or statewide tariff, the following information shall be submitted:

(1) A statement listing all of the carriers who are party to the tariff for which relief is sought and the date each motor carrier became a party to that tariff.

(2) An operating statement, balance sheet, and financial statement explanation as required in sections 5(a), 5(b), and 5(c) of this rule for each participating carrier or for each carrier being used as representative of the group.

(3) A consolidated statement showing the Nevada intrastate operating revenues and expenses for the participating or representative group of carriers. This statement shall show the Nevada intrastate operating ratio for each participating or representative carrier and a composite operating ratio for the participating or representative carriers.

e. In any application for a single rate applying to a specific commodity that has not previously been included in the applicant's tariff, sufficient cost data to demonstrate that the proposed rate would be fully compensatory and would not involve an excessive charge may be substituted for the requirements of sections 5(a) to 5(d) of this rule, inclusive.

6. Additional information that the Commission may request or information that the applicant feels is necessary or appropriate for a more complete understanding of the application.
7. A suggested wording for the public notice to be published in accordance with Rule 9.040 may be submitted by the applicant.

RULE 18

Certificates of Public Convenience and Necessity

Air Carrier

18.010 Scope

This rule applies to an application by any new air carrier to begin operations or by any air carrier to extend operations as an air carrier of passengers or property, or both, in intrastate commerce within the state pursuant to NRS 704.330 to 704.380, inclusive.

18.020 Form and contents of application

An applicant for a certificate of public convenience and necessity under this rule shall, in addition to complying with Rule 7, submit the following information or data, either in the application or as exhibits attached to the application:

1. The full name and mailing address of the applicant, the nature of the organization (sole proprietorship, partnership, or corporation), the type of service, if any, currently being performed by the applicant in the state, a general description of the service, and a reference to the authority under which the existing service is performed.
2. The specific authority requested and the particular statutory provision under which the certificate is requested.
3. The names and addresses of all air carriers with which the proposed service is likely to compete.
4. Facts showing that public convenience and necessity requires or will require the proposed service or extension of service.
5. Experience of the air carrier.
6. A description of the geographical scope of the proposed operation including all terminal and intermediate points proposed to be served, and a concise, narrative description of the proposed route together with mileage estimates.

7. A map of suitable scale showing the route and points to be served, showing its relation to other air carriers with which it is likely to compete, and showing the present and proposed service by distinctive coloring or marking.
8. An adequate identification of each route for which a certificate is desired, specifying the type or types of service to be rendered on each route and whether or not the services are to be rendered on scheduled operations.
9. A statement indicating the schedule of the proposed service. If non-scheduled or "on-call" service is proposed, the application shall state the conditions under which the service would be performed.
10. A statement of the rates or fares to be charged and rules governing service in tariff format pursuant to Rule 21.
11. The type and number of aircraft to be employed in the proposed service and whether the aircraft is presently owned by the applicant.
12. If the applicant does not hold a certificate of public convenience and necessity authorizing air transportation, the name and type of business of any affiliate, subsidiary, or principal stockholder of the applicant engaged in any form of transportation as a common carrier or engaged in any phase of aeronautical activity.
13. Statements or exhibits showing the financial ability of the applicant to render the proposed service including a balance sheet and income statement, if applicable.
14. Evidence that necessary insurance in the amounts set by the Commission can be secured by the applicant.
15. If the applicant is operating under a fictitious name, a copy of any certificate filed pursuant to chapter 602 of NRS with a county clerk to operate under that fictitious name. If the applicant has previously filed a copy of the certificate with the Commission, the applicant need only make reference to that filing in the application.

RULE 19

Certificates of Public Convenience and Necessity Public Utilities

19.010 Scope

This rule applies to an application by a public utility, except air carriers, for a certificate to commence operating as a public utility or to construct or extend its plant or system in such a manner as to require certification under NRS 704.330 to NRS 704.380, inclusive.

19.020 Form and contents of application

An applicant for a certificate of public convenience and necessity under this rule shall, in addition to complying with the provisions of the rules applicable to pleadings, submit the following data, either in the application or as exhibits attached to it:

1. A full description of the proposed construction or extension, and the manner in which it will be constructed.
2. The names and addresses of all utilities, corporations, persons, or other entities, whether publicly or privately operated, with which the proposed service or construction is likely to compete, and of the cities or counties within which service will be rendered under the requested certificate. If a public utility applies to the Commission to extend or establish its water service within a county water district, a public utility or municipal utility district, other water or utility district, or any area served by such a district, that district shall also be named if it furnishes a like service. The application shall contain a certification that a copy of the application has been served upon or mailed to each party named in this list.
3. A map of suitable scale showing the location or route of the proposed construction or extension, and its relation to other public utilities, corporations, persons, or entities with which the proposal is likely to compete.
4. A statement identifying the franchise and the health and safety permits that appropriate public authorities require for the proposed construction or extension.

If a construction permit is required under NRS 704.820 to 704.900, inclusive, application shall also be made under Rule 25.

5. Facts showing that the public convenience and necessity requires or will require, the proposed construction or extension of operation.
6. A statement detailing the estimated cost of the proposed construction or extension and the estimated annual costs, both fixed and operating, associated with the proposal. The applicant shall file, as a part of the application, supporting statements or exhibits showing that the proposed construction is in the public interest and that it is economically feasible.
7. Statements or exhibits showing the financial ability of the applicant to render the proposed service and information regarding the manner in which the applicant proposes to finance the cost of the proposed construction or extension. At a minimum the applicant shall submit a copy of its most recent balance sheet and income statement.
8. A statement of the proposed rates to be charged for service to be rendered by means of the construction or extension, the rules governing service in tariff format, and an estimate of the number of customers to be served and an estimate of annual revenue from those customers.
9. In the case of a telephone utility, in addition to all other applicable requirements of this rule, the estimated number of customers and the estimated revenue to be recovered from those customers by the telephone utility for the first five (5) years in the future.
10. In the case of an electric utility, in addition to all other applicable requirements of this rule:
 - a. Load and resource data setting forth recorded and estimated loads (energy and demands), available capacity and energy, and margins for two (2) years actual and three (3) years estimated, on an average year basis.
 - b. Existing rated effective operating capacity of generating plants and planned additions for the next three (3) years.

- c. Estimated capital and operating costs of any proposed generating plant.
- d. The estimated number of customers to be served and their requirements for the first five (5) years in the future.

11. In the case of a water utility, in addition to all other applicable requirements of this rule:

- a. An estimate of the number of customers and the requirements for water for the first five (5) years in the future, and a description of the proposed normal, and emergency standby, water, facilities for production, storage, and pressure to serve the area for which the certificate is sought.
- b. A statement of the estimated operating revenues and estimated expenses, by major classes of service, including taxes and depreciation, for the first five (5) years in the future attributable to operations in the proposed area.
- c. If the applicant has operated as a water utility in the state, a general statement of the operating plans for the proposed area, including a statement as to whether the new area will be served by new personnel. If the applicant has not operated as a water utility in the state, a description of the operating plans for the proposed area, including, to the extent available, but not necessarily limited to, such items as qualifications of management and operating personnel, proposed operating pressures for the system, plans for water treatment, availability of utility personnel to customers, billing procedures, emergency operation plans, and provisions for handling customer complaints.

12. In the case of a sewer utility, in addition to all other applicable requirements of this rule:

- a. An estimate of the number of customers and the requirements for sewer service for the first five (5) years in the future, the future system development anticipated by the applicant, and a description of the proposed normal and emergency standby sewerage facilities for treatment and storage (settlement ponds) to serve the area for which the certificate is sought.
- b. A statement of the estimated operating revenues and estimated expenses, by major classes, including taxes and depreciation, for the first year in the future attributable to operations in the proposed area.

- c. If the applicant is operating a sewer utility in the state, a general statement of the operating plans for the proposed area, including a statement as to whether the new area will be served by existing personnel or will constitute a separate district to be served by new personnel. If the applicant is not operating a sewer utility in the state, a description of the operating plans for the proposed area, including, to the extent available, but not necessarily limited to, such items as qualifications of management and operating personnel, plans for sewage treatment availability of utility personnel to customers, billing procedures, emergency operation plans, and provisions for handling customer complaints.
13. In the case of an application by a water or sewer utility that is no longer exempt under NRS 704.030, in addition to the information required for a water or sewer utility elsewhere in this rule:
- a. A balance sheet as of the date the utility reached the statutory jurisdictional requirements of gross revenues and customer numbers of NRS 704.030.
 - b. A schedule of plant accounts showing the original cost of any plant in service as of the balance sheet date or an estimate of plant proposed by a new water utility.
 - c. A depreciation schedule by plant account showing the depreciation rate, depreciation method, and accumulated depreciation as of the date of the balance sheet.
 - d. Operating statement for the most recent twelve (12)-month period ending on the date of the balance sheet, showing operating revenues and expenses.
 - e. A statement showing the number of customers being served as of the date of the balance sheet.
 - f. 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 a Commission order for those rates after the utility has reached the jurisdictional requirements of gross revenues and customer numbers set forth in NRS 704.030. An application pursuant to Rules 7 and 16 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.

14. In the case of a natural gas transmission or distribution utility in addition to all other applicable requirements of this rule:
 - a. The estimated number of customers and their estimated requirements for the first five (5) years in the future. These requirements should be categorized by priorities as set forth in Commission General Order No. 18.
 - b. A statement of current sources of supply of natural gas and an estimate of the sources of supply of natural gas for the first five (5) years in the future. These sources shall be delineated by quantity or availability and, to the extent possible, all costs associated with delivery.
 - c. A description of all existing or planned storage facilities of the utility and of all existing or planned compressor facilities of the utility.
15. Additional information and data as may be necessary to a full understanding of the application.

RULE 20

Certificate of Public Convenience and Necessity

Common Motor Carrier

Or Contract Motor Carrier Permit

20.010 Scope

This rule applies to an application by a motor carrier for a certificate to operate as a common carrier in intrastate commerce within the state under the provisions of NRS 706.386 to 706.411, inclusive, or for a contract carrier permit under NRS 706.421 to 706.436, inclusive.

20.020 Contents of application

An applicant for a certificate of public convenience and necessity or a contract carrier permit under this rule shall, in addition to complying with the provisions of these rules applicable to pleadings, submit the following data, either in the application or as exhibits attached thereto:

1. The type of service, if any, presently being performed by the applicant, a general description of the service, and a reference to the authority under which the existing service is being performed.
2. The type of service proposed, a general description of the service and a reference to the authority under which the proposed service is to be performed.
3. The specific authority requested and the particular statutory provision under which the certificate is requested.
4. If the applicant proposes to be a carrier of property, a description of specific commodities proposed to be transported, and if general commodities with exceptions are proposed to be transported, a statement specifying those exceptions.
5. The geographical scope of the proposed certificated area including the terminal and other points proposed to be served, the number and location of equipment points and a concise, narrative description of the proposed route.
6. A map or sketch of the route and points to be served, drawn to a suitable scale which is indicated on the map or sketch, and showing present and proposed operations by distinctive coloring or marking.
7. Contract carrier applicants shall file copies of proposed contracts

8. A statement of the rates or fares proposed to be charged and rules governing service in tariff format pursuant to Rule 24.
9. The type and approximate number of units of equipment to be employed in the proposed service, and a statement as to which units of equipment are owned by the applicant.
10. A statement indicating the frequency of the proposed service. If "On-call" service is proposed, the application shall set forth the conditions under which the service would be performed.
11. A statement of the qualifications and experience of management and operating personnel who will operate the proposed service and the proposed operating procedures related to service, safety, maintenance, driver training, record keeping, billing, and customer relations.
12. A statement describing the facilities which will be used to provide the proposed service such as terminals, shops, warehouses, or offices.
13. Facts showing that the proposed operation is or will be required by public convenience and necessity.
14. If the applicant is a corporation:
 - a. A copy of its articles of incorporation, certified by the Secretary of State, and all effective amendments. If the articles of incorporation have been previously filed with the Commission, the applicant need only make specific reference to that filing in the application.
 - b. An income statement for the full twelve-(12) month period immediately preceding, insofar as practicable, the application date, and a balance sheet as of the date of the income statement.
15. If the applicant is operating under a fictitious name, a copy of any certificate filed pursuant to chapter 602 of NRS with a county clerk to operate under that fictitious name. If the applicant has previously filed a copy of the certificates with the Commission, the applicant need only make reference to that filing in the application.
16. Evidence that necessary insurance in the amounts set forth in Commission General Order No. 5 can be secured by applicant, and a statement in the application that applicant has read and understands the requirements of General Order No. 5.
17. Additional information and data that may be necessary to a full understanding of the application.

RULE 21

TARIFF FILINGS BY AIR CARRIER

21.010 Applicability of rule

This rule shall govern the filing of tariffs or supplements, which contain the rates, rules, and regulations governing the operation of an air carrier. No request for an increase in rates may be made under this rule.

21.020 Definition of tariff or supplement, and rate

"Tariff", or "supplement", when used in this rule, includes any rule, regulation, classification, exception to classifications, and class, commodity, special, and hourly rate under which the air carrier operates.

"Rate" in this rule also includes any charge, or fare, and any rule or regulation which affects a rate.

21.030 Form (see Sample Forms 21A-21E attached to this rule)

1. Tariffs or supplements shall be in loose-leaf form on good quality paper 8 1/2 inches in size, typed, printed, mimeographed, or reproduced by any other clear, legible, and durable process. If the tariff is also filed with the Civil Aeronautics Board and the Civil Aeronautics Board permits a size and format different from that specified by the Commission, the different size and format shall be accepted by the Commission.

2. The forms shall be as follows:

- (a) On each page, a one-(1) inch margin shall be provided on the left-hand or binding edge, and a one-half-(1/2) inch margin shall be provided on the right-hand edge. No printing or writing may appear in these margins.
- (b) Each page shall be numbered in the upper right-hand corner beginning with Original Title Page 1, Original Page 2, etc.
- (c) Each page shall have:
 - (1) In the upper left-hand corner above the border line, the Public Service Commission of Nevada number assigned to the tariff by the air carrier, issuing agency, or agent.
 - (2) On the left at the top, the carrier's, issuing agency's, or agent's name and dba, if any, and below the name, the tariff description and number.
 - (3) In the lower left-hand corner, between the text on the

- (i) Each change on a filed page shall be clearly marked with a symbol or code:
- (1) ♦ - Increase;
 - (2) ♣ - Reduction;
 - (3) ▲ - Change resulting in neither increase nor reduction; or
 - (4) - Any other pertinent symbol or abbreviation.

A separate page may be used to define these codes (see samples on attached Form 21C), or when symbols are used, a note explaining them may be placed at the bottom of the page or within the block containing the affected item.

- (j) Each new or revised page (see paragraph f) shall have a Correction number assigned to it, beginning with Correction No. 1 and continuing numerically as new or revised pages of that P.S.C.N. numbered tariff are drafted, inserted below the bottom line in the right-hand corner of the page (see Form 21E attached to this rule). Each P.S.C.N. numbered tariff filing shall have a checking sheet of correction numbers (see Form 21C attached to this rule) on Page 1 and shall be maintained as the tariff is revised. One (1) correction number shall be assigned to each new or revised page, and no correction number may be assigned to more than one page.
- (k) When re-issuing any tariff that completely cancels a current tariff, the re-issued tariff shall bear the same tariff number as the current tariff, suffixed by a letter, i.e. Tariff No. 1-A, and continuing through the alphabet as that tariff is re-issued. The re-issued tariff shall be assigned a new P.S.C.N. number that does not duplicate any other P.S.C.N. number on any other tariff held by the air carrier and which shall be displayed on the re-issued tariff as follows:

P.S.C.N. NO. 2

 cancels

P.S.C.N. NO. 1

Tariff No. 1-A

 cancels

Tariff No. 1

21.040 Index to tariff

Each loose-leaf or bound tariff and each tariff supplement to a bound tariff that exceeds ten (10) pages, except rate increase supplements, shall have:

1. A table of contents, listing in alphabetical order all rules, regulations, and rate sections that are included in the filing. The table shall state the item number, a brief description of the item, and the page number where the item can be found.
2. An alphabetical index of commodities included in the filing, and showing the item number of each commodity listed.
3. If there is more than one carrier party to a tariff filing, an alphabetical index of the participating carriers listing each item number that each listed carrier is party to.
4. A list of the certificates of public convenience and necessity in the state that each air carrier participating in the tariff filing holds. This list shall also contain a description of the routes or territory that the air carrier is authorized to serve under each certificate and a list of the commodities that the air carrier is authorized to transport under each certificate.

21.050 Transmittal letter

Each tariff filing shall be accompanied by six (6) copies of a transmittal letter and the appropriate filing fee. To acknowledge receipt of the filing, a copy of that transmittal letter shall be date-stamped and returned by the Commission to the applicant. The transmittal letter shall state what effect, if any, the filing will have on the air carrier's currently effective tariffs, and include a reference to those tariffs affected.

21.060 Tariff filing - including rate increases

The filing of any tariff sheet which will result in any increase in any rate or charge or in a more restrictive condition shall be filed as part of the application required under Rule 15.

21.070 Printing and posting of tariffs

Each air carrier shall post at each of its stations and offices a complete copy of currently effective tariff schedules applicable to those stations and offices. These tariff schedules shall be available to the public, and in a form and location readily accessible for public inspection. Each air carrier shall also maintain on file at its principal place of business a complete copy of all its currently effective tariff schedules. This rule does not require the carrier to post tariff schedules at other than its own offices; however, carriers are encouraged to post tariff schedules at other locations where payments are received from its customers.

APEX AIRLINES

AIR FREIGHT TARIFF NO. 1
naming
RATES, RULES AND REGULATIONS
for
THE TRANSPORTATION OF FREIGHT
between
POINTS AND PLACES IN
THE STATE OF NEVADA

Issued:
March 16, 1978
Effective:

Issued by:
Charles Bright
4223 Main St.,
Any City, Nevada
89000

(Sample Form 21B)

P.S.C.N. No. 2
cancels
P.S.C.N. No. 1

Original Title Page

JOHN DOE
DBA
GLIDERLINES

AIR PASSENGER TARIFF NO. 1-A
cancels
AIR PASSENGER TARIFF NO. 1
naming
FARES, RULES AND REGULATIONS
for
THE TRANSPORTATION OF PASSENGERS
AND THEIR BAGGAGE
between
POINTS AND PLACES IN
THE STATE OF NEVADA

Issued:
March 16, 1978
Effective:

Issued by:
John Doe
234 First St.,
Desert, Nevada
89001

APEX AIRLINES

Original Page 1

AIR FREIGHT TARIFF NO. 1

CHECKING SHEET FOR TARIFF

Upon receipt of new or revised pages a check mark must be placed opposite the "Correction Number" (shown below) corresponding to number shown in lower left-hand corner of the new or changed page. If correction numbers are properly checked as received, check marks will appear in consecutive order without omissions. However, if check marks indicate that a revised page has not yet been received, request should at once be made to the issuing carrier for a copy of the new or revised page.

CORRECTION NUMBERS

1	7	13	19	25
2	8	14	20	26
3	9	15	21	27
4	10	16	22	28
5	11	17	23	29
6	12	18	24	30

EXPLANATION OF ABBREVIATIONS AND OTHER REFERENCE MARKS

dba.....Doing business as	*.....Change
Nev.....Nevada	¢.....Cent or Cents
No.....Number	\$.....Dollar or Dollars
Nos.....Numbers	◆.....Increase
P.S.C.N..Public Service Commission of Nevada	○.....Reduction
∕.....Addition	▲.....Change, neither increase nor reduction

Issued: March 16, 1978

Effective:

Issued by:
 Charles Bright
 4223 Main St.,
 Any City, Nevada
 89000

APEX AIRLINES

AIR FREIGHT TARIFF NO. 1

RATES

(In dollars and cents per 100 lbs., except as noted)

Issued: March 16, 1978

Effective:

Issued by:
Charles Bright
4223 Main St.,
Any City, Nevada
89000

JOHN DOE DBA

GLIDERLINES

AIR PASSENGER TARIFF NO. 1-A

1st Revised Page 4
cancels
Original Page 4

Rule
No.

RULES AND REGULATIONS

Issued: March 16, 1978

Effective:

Issued by:
John Doe
234 First Street
Desert, Nevada
89001

Correction No. 1

RULE 22

Tariff Filings by Rail Carriers

22.010 Applicability of rule

This rule governs the filing of a tariff or supplement which contains the rates, rules, or regulations governing the operation of a rail carrier. No request for an increase in rates may be made under this rule. The provisions of paragraphs 22.030, a through g, and j and k do not apply to filings of the Uniform Freight Classification, Official Railway Equipment Register, Open and Prepay Station List, Graziano's Hazardous Materials Tariff, General Car Demurrage Tariff, Freight Contained Tariff, Perishable Freight Tariff, or National Service Order which are national in distribution but which also apply intrastate in Nevada.

22.020 Definition of tariff or supplement and rate

"Tariff" or "supplement", when used in this rule, includes any rule, regulation, classification, exception to classification, and class, commodity, special, and hourly rate under which the rail carrier operates.

"Rate" in this rule also includes any charge or fare and any rule or regulation which affects a rate.

22.030 Form (see Sample Forms 22A -22E attached to this rule)

1. Tariffs or supplements shall be in loose-leaf form on good quality paper 8 1/2 by 11 inches in size, typed, printed, mimeographed, or reproduced by any other clear, legible, and durable process. If the tariff is also filed with the Interstate Commerce Commission and the Interstate Commerce Commission permits a size and format different from that specified by the Commission, that different size and format shall be accepted by the Commission.

2. The form shall be as follows:

- (a) On each page, a one-(1) inch margin shall be provided on the left-hand or binding edge and a one-half-(1/2) inch margin shall be provided on the right-hand edge. No printing or writing may appear in these margins.
- (b) Each page shall be numbered in the upper left-hand corner beginning with Original Title Page 1, Original Page 2, etc.
- (c) Each page, except the title page, shall have:
 - (1) In the upper right-hand corner, the Public Service Commission of Nevada number assigned to the tariff by the rail carrier, issuing agency, or agent.

- (g) The attached examples (Forms 22A - 22E) show the locations of name, page numbers, tariff numbers, "Issued:", "Effective:", and "Issued by:" information on a page.
- (h) Six (6) copies of each page containing rules and regulations or rates, or both, shall be filed with the Commission at least thirty (30) days before becoming effective.
- (i) Any changes on a filed page shall be clearly marked with a code or other pertinent symbol or abbreviation. For example:
 - (1) ◆ - Increase;
 - (2) ♣ - Reduction;
 - (3) ▲ - Change resulting in neither increase nor reduction; or
 - (4) Any other pertinent symbol or abbreviation.

A separate page may be used for these codes (see examples on attached Form 22C), or when symbols are used, a note explaining them may be placed at the bottom of the page or within the block containing the affected item.

- (j) Each new or revised page (see paragraph f) shall have a correction number assigned to it, beginning with Correction No. 1, and continuing numerically as new or revised pages of that P.S.C.N. numbered tariff are drafted, inserted below the bottom line in the left-hand corner of the page (see Form 22E attached to this rule). Each P.S.C.N. numbered tariff filing shall have a checking sheet of correction numbers (see Form 22C attached to this rule) on Page 1 and shall be maintained as the tariff is revised. One correction number shall be assigned to each new or revised page, and no correction number may be assigned to more than one page.
- (k) When reissuing any tariff that completely cancels a current tariff, the reissued tariff shall bear the same tariff number as the current tariff, suffixed by a letter, i.e. Tariff No. 1-A, and continuing through the alphabet as that tariff is reissued. The reissued tariff shall be assigned a new P.S.C.N. number that does not duplicate any other P.S.C.N. number on any other tariff held by that rail carrier and which shall be displayed on the reissued tariff as follows:

P.S.C.N. No. 2

 cancels

P.S.C.N. No. 1

Tariff No. 1-A

 cancels

Tariff No. 1

22.040 Index to tariff

Each loose-leaf or bound tariff and any tariff supplement to a bound tariff which exceeds ten (10) pages, except rate increase supplements, shall have:

1. A table of contents, listing in order all rules, regulations, and rate sections that are included in the filing. The table shall state the item number, a brief description of the item, and the page number where the item can be found.
2. An alphabetical index of commodities included in the filing, and showing the item numbers of each commodity listed.
3. If there is more than one carrier party to a tariff filing, an alphabetical index of the participating carriers listing each item number to which each listed carrier is a party.
4. A list of the certificates of public convenience and necessity in the state held by each rail carrier participating in the tariff filing. This list shall include a description of the routes or territory that the rail carrier is authorized to serve under each certificate and a list of the commodities that the rail carrier is authorized to transport under each certificate.

22.050 Transmittal letter

Each tariff filing shall be accompanied by six (6) copies of a transmittal letter and the appropriate filing fee. To acknowledge receipt of the filing a copy of that transmittal letter shall be date-stamped and returned by the Commission to the applicant. The transmittal letter shall explain what effect, if any, the filing will have on the rail carrier's currently effective tariffs and include a reference to those tariffs affected.

22.060 Tariff filing - including rate increase

The filing of any tariff sheet that will result in an increase in any rate or charge or in a more restrictive condition shall be filed as part of the application required under Rule 15.

22.070 Printing and posting of tariffs

Each rail carrier shall post, at each of its stations and offices, a complete copy of currently effective tariff schedules applicable to those stations and offices. These tariff schedules shall be available to the public, and in a form and location readily accessible for public inspection. Each rail carrier shall also maintain on file at its principal place of business a complete copy of all its currently effective tariff schedules. This rule does not require the carrier to post tariff schedules at other than its own offices; however, carriers are encouraged to post tariff schedules at other locations where payments are received from its customers.

No supplement to this tariff will be issued except for the purpose of canceling the tariff unless specifically authorized by the Commission.

Additions to, changes in and eliminations from this tariff will be in loose-leaf form.

ROLLING THUNDER RAILWAY COMPANY

FREIGHT TARIFF NO. 1,
naming
RATES, RULES, AND REGULATIONS
for
TRANSPORTATION OF FREIGHT
between
POINTS AND PLACES IN
THE STATE OF NEVADA

Issued:
July 9, 1970
Effective:

Issued by:
ADELLE RANSOM
234 Main St
Any City, Nevada 89000

Original Title Page

(SAMPLE FORM 22B)

P.S.C.N. No. 2

 cancels

P.S.C.N. No. 1

No supplement to this tariff will be issued except for the purpose of canceling the tariff unless specifically authorized by the Commission.

Additions to, changes in and eliminations from this tariff will be in loose-leaf form.

SHORT LINE RAILROAD

FREIGHT TARIFF NO. 1-A

 cancels

FREIGHT TARIFF NO. 1

 naming

RATES, RULES, AND REGULATIONS

 for

TRANSPORTATION OF FREIGHT

 between

POINTS AND PLACES IN

THE STATE OF NEVADA

Issued:
April 10, 1973

Effective:

Issued by:
Short Line Railroad
4223 Main St.
Any City, Nevada 89000

ROLLING THUNDER RAILWAY COMPANY

FREIGHT TARIFF NO. 1

CHECKING SHEET FOR TARIFF

Upon receipt of new or revised pages a check mark must be placed opposite the "Correction Number" (shown below) corresponding to number shown in lower left-hand corner of the new or changed page. If correction numbers are properly checked as received, check marks will appear in consecutive order without omissions. However, if check marks indicate that a revised page has not yet been received, request should at once be made to the issuing carrier for a copy of the new or revised page.

CORRECTION NUMBERS

1	7	13	19	25
2	8	14	20	26
3	9	15	21	27
4	10	16	22	28
5	11	17	23	29
6	12	18	24	30

EXPLANATION OF ABBREVIATIONS AND OTHER REFERENCE MARKS

dba.....Doing business as	*.....Change
Nev.....Nevada	¢.....Cent or Cents
No.....Number	\$.....Dollar or Dollars
Nos.....Numbers	◆.....Increase
P.S.C.N..Public Service Com-	◊.....Reduction
mission of Nevada	▲.....Change, neither
∧.....Addition	increase nor reduction

APPLICATION OF CARRIER'S OPERATIVE RIGHTS

Issued: July 9, 1970

Effective:

Issued by:
Adelle Ransom
234 Main St.
Any City, Nevada 89000

Original Page 5

(SAMPLE FORM 22D)
ROLLING THUNDER RAILWAY COMPANY

P.S.C.N. No. 1

FREIGHT TARIFF NO. 1

RATES

(In dollars and cents per 100 lbs., except as noted)

Issued: July 9, 1978

Effective:

Issued by:
Adelle Ransom
234 Main St.
Any City, Nevada 89000

1st Revised Page 4
cancels
Original Page 4

(SAMPLE FORM 22E)

P.S.C.N. No. 2

SHORTLINE RAILROAD
COMMODITY TARIFF NO. 2

Rule
No.

RULES AND REGULATIONS

Issued: April 10, 1973

Effective:

Issued by:
Adelle Ransom
234 Main St.
Any City, Nevada 89000

RULE 23

TARIFF FILINGS BY PUBLIC UTILITIES

23.010 Scope

This rule governs the filing and posting requirements of tariff schedules for rates, rules, regulations, and contracts relating to rates applicable to gas, electric, telephone, telegraph, and community antenna television companies, and water and sewer utilities.

23.020 Definitions

"Tariff" or "tariff schedule," when used in this rule, includes the collective body of rates, tolls, rentals, charges and classifications, and rules and regulations, as filed by a public utility, although the book or volume containing them may consist of one or many sheets or pages applicable to distinct service classifications. Individual sheets within the tariff schedules may be referred to as "sheets" or "pages" and each should display the schedule designation of which it is a part.

23.030 Format

A tariff schedule shall be in loose-leaf form for binding in a stiff-backed book or volume, and shall consist of the following parts or subdivisions arranged in order:

1. Title page:

"TARIFF NO. _____

Applicable to

(Kind of) Service

Naming

RATES, RULES AND REGULATIONS

of

(Name of Utility)

in

(Describe Area of Operations)"

2. Table of contents. A complete index of numbers and titles of effective sheets or pages listed in the order in which the tariff sheets or pages should be arranged in the tariff schedule book.
3. Preliminary statement. A brief description of the territory served, with a map of the territory, types and classes of service rendered, and general conditions under which the service is rendered.

4. Rate Schedules.
5. Rules and regulations.

23.040 Printing and posting of tariffs

Each public utility shall have posted, at each of its business offices (which shall not include banks and other agents authorized by the utility to accept payments of bills for the convenience of customers) a complete copy of currently effective tariff schedules applicable to the service territory in which the business office is located. These tariff schedules shall be available to the public, and in a form and location readily accessible to public inspection. Each public utility shall also maintain on file at its principal place of business a complete copy of all its currently effective tariff schedules. This rule does not require the utility to post tariff schedules at other than its own offices; however, utilities are encouraged to post tariff schedules at other locations where payments are received from its customers.

23.050 Construction of tariff schedules for filing
(see Sample Forms 23A and 23B)

1. General. A tariff schedule shall be in the following general form. The loose-leaf sheets used in tariff schedules shall be 8 1/2 by 11 inches long of paper stock of not less than 13 lb. bond durability. Tariff schedules may be printed, typewritten, mimeographed, or reproduced by any other process which will provide a durable record.

a. Only one side of a sheet may be used, and each page shall be ruled and filled in as follows:

- (1) A margin of at least one (1) inch shall be left on the left side of the page and a margin of at least one-half (1/2) inch on the right side and a margin of one (1) inch at the top of the page.
- (2) A box seven (7) inches wide and nine and one-half (9½) inches long shall be outlined. This box shall be further divided at the bottom into three (3) two-(2) inch long boxes: one (1) center box three (3) inches in width and two (2) outer boxes two (2) inches in width.
- (3) In the upper left-hand corner of the top margin, the name and address of the public utility shall be entered with the tariff number.
- (4) In the upper right-hand corner of the top margin, the Public Service Commission of Nevada Sheet Number (P.S.C.N. No.), with designations as to whether it is an original or revised sheet, together with the P.S.C.N. number of the sheet cancelled, if any, by that sheet shall be entered. Sheets shall be numbered consecutively, beginning with No. 1 for the first sheet filed.

- (5) In the lower left-hand box, "Issued: (date issued by utility)" shall be entered. Immediately below "Effective; (date desired effective)" shall be entered; and immediately below "Advice No.: (advice letter number)" shall be entered.
- (6) In the lower center box, "Issued by: (name and title of the responsible utility official)" shall be entered.
- (7) The lower right-hand box shall be left blank for use by the Commission.

2. Rate Schedules. Each rate schedule shall include the following information, as nearly as possible in the order shown:

- a. Schedule number, or other description.
- b. Class of service, such as commercial or domestic.
- c. Character or applicability, such as heating, lighting, power, or individual and party line telephone service.
- d. Territory to which the schedule is applicable.
- e. Rates in tabular form where applicable.
- f. Conditions, limitations, qualifications, and restrictions. The conditions should be brief and clearly worded to cover all special conditions of the rates which are not fully covered in the rules and regulations.
- g. When a rate schedule or a rule and regulation is continued from one sheet to another, the word "Continued" should be shown at the bottom of and at the beginning of the appropriate sheets.

3. Rules and Regulations. Each rule and regulation shall be numbered and shall have a title briefly indicating its contents.

a. Appropriate general rules and regulations should cover the application of all rates, charges, and service when the applicability is not fully set forth as a part of the rate schedules themselves. The following subjects are representative of the type of information to be included in the rules and regulations of the utility set forth in the tariff schedules:

- (1) Definitions. Clear and concise definitions of the principal terms used in the tariff schedules.
- (2) Description of Service. A description of the character of service rendered and standards of service maintained.
- (3) Application for Service. The procedure necessary to obtain service.

- (4) Temporary Service. Conditions precedent to rendering temporary service or service to speculative projects.
- (5) Credit Procedure. The procedure necessary to establish credit and to re-establish impaired credit.
- (6) Deposits. The deposits required for various purposes and classes of service, the conditions precedent to return of deposits, and the interest paid on the deposits.
- (7) Notices. The method of serving notices.
- (8) Rendering and Payment of Bills. The methods of rendering bills, billing periods, due date, and acceptable methods of payment.
- (9) Disputed Bills. The methods of bill adjustment, required amount to be deposited with the utility, and time limits.
- (10) Discontinuance and Restoration of Service. Reasons for discontinuance, notification procedures, time limits, procedures necessary for restoration of service, and charges.
- (11) Line Extensions. Free extensions, deposits for extensions, and refunds.
- (12) Service Connections.
- (13) Right to ingress to and egress from customer's premises.
- (14) In addition to the above, other items having special significance to particular conditions respecting utility operation or policy should be embodied within the rules and regulations.

23.060 Submission of new or revised tariff sheets

a. Transmittal of tariff sheets. Tariff sheets shall be transmitted to the Commission accompanied by a letter of advice that is not a part of the tariff. A revised table of contents sheet and the appropriate filing fee shall be transmitted with each letter of advice.

b. Number of copies. Six (6) copies of each advice letter and tariff sheet shall be filed with the Commission. One receipted copy of the advice letter shall be returned to the utility.

c. Contents of advice letter. The advice letter shall list the sheet numbers and titles of all tariff sheets being filed and the sheet numbers of all sheets being canceled. The letter shall state the reasons for the filing and the date on which the tariff sheets are proposed to become effective. The advice letters shall call attention to each increase or decrease in rate or charge, or change in condition which may result in increase, decrease, or withdrawal of service. If an increase is authorized by a Commission decision, reference in the advice letter to the decision number authorizing that increase shall be given.

d. Numbering of advice letters. Advice letters shall be numbered chronologically beginning with No. 1 for the first advice letter submitted by a public utility for each class of utility service rendered, but a single series of advice letters may be used for telephone and telegraph services combined in the same tariff schedule. The present series of numbers, if not inconsistent with the provisions of this rule, should be continued (see Form 23C attached to this rule).

e. Advice numbers on tariff pages. Each revised or new tariff page or sheet shall indicate on the bottom of the page or sheet the number of the advice letter transmitting the revised filing (see Sample Forms 23A and 23B).

f. Numbering of reissued tariffs. When reissuing any tariff that completely cancels a current tariff or that is a reissue of a previously effective tariff, the reissued tariff shall bear the same number as the current or previously cancelled tariff, suffixed by a letter, i.e. Tariff 1-A, and continuing through the alphabet as that tariff is subsequently reissued:

Tariff No. 1-A

 cancels

Tariff No. 1

23.070 Filing tariff sheets that do not increase rates or charges

1. On regulatory statutory notice. A new tariff sheet covering a service or commodity not furnished before, or a changed tariff sheet not increasing or resulting in an increase, or resulting in a decrease, in any rate, toll, rental, or charge, may be filed by the advice letter designated in Rule 23.060. These tariff sheets, unless suspended by the Commission either on complaint or on its own motion, shall become effective not less than thirty (30) days after filing pursuant to NRS 704.100.

2. On less than statutory notice. Upon application in the advice letter and for good cause shown, the Commission may authorize tariff sheets which do not result in an increase in rates or charges to become effective on less than the thirty-(30) day statutory period. If the sheets are authorized, the Commission shall insert the effective date on each tariff sheet affected.

3. Return of copy of tariff to utility. One or more copies of the tariff sheet bearing the "Accepted for Filing" and the "Effective" date shall be returned to the utility and shall constitute the utility's official file copy of the sheets filed with the Commission.

23.080 Filing tariff sheets that result in increased rates or charges

An application to increase rates shall be made in accordance with Rules 7 and 16 unless the rate increases will generate annual gross revenues, as certified by the applicant, of \$2,500 or less. If the Commission grants a formal application, the utility shall prepare and file appropriate tariff sheets, accompanied

by an advice letter as provided in Rule 23.060. If the proposed increases involve \$2,500 or less, the Commission may accept the advice letter filing, provided justification is fully set forth in that letter, without an application pursuant to Rule 16. The filing of a tariff sheet that will result in an increase in any rate or charge or in a more restrictive condition shall be filed as part of the application required by Rule 16. The filing of a tariff sheet that will result in an increase in any rate or charge or in a more restrictive condition shall be filed as part of the application required by Rule 16.

23.090 Exceptions

To the extent permitted by statute, exceptions to the operation of this rule may be authorized by the Commission upon a proper showing in a petition filed by a public utility.

(Sample Form 23A)

Alpha Springs Water Company
222 Main Street
Any City, Nevada

Tariff No. Insert Proper Number

Original P.S.C.N. Sheet No. 1
Cancelling P.S.C.N. Sheet No.

TARIFF SCHEDULES
Applicable to
Water Service
Naming
RATES, RULES, AND REGULATIONS
GOVERNING OPERATIONS
of
ALPHA SPRINGS WATER COMPANY
in
CANDELARIA, NEVADA

Issued: June 14, 1965

Effective:
August 23,
1965

Advice No.: 12

Issued by:
Joseph W. Barnes
President

Alpha Springs Water Company
222 Main Street
Any City, Nevada
Tariff No. Insert Proper Number

(Sample Form 230)

1st Revised P. S. C. N. Sheet No. 3
Cancelling Original P. S. C. N. Sheet No. 3

Schedule No. 2

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all domestic and industrial metered water service, except summer resort or seasonal consumers.

TERRITORY

Within the incorporated limits of the town of Candelaria, Mineral County, as delineated on the map included in the Tariff Schedule as Map No. 1.

RATES

Quantity Charge:	Per Meter Per Month
First 600 cu. ft. or less	\$1.50
Next 1,400 cu. ft., per 100 cu. ft.	.20
Next 3,000 cu. ft., per 100 cu. ft.	.15
Over 5,000 cu. ft., per 100 cu. ft.	.10

Minimum Charge:

For 5/8-inch meter	\$1.50
For 3/4-inch meter	2.00
For 1-inch meter	3.00
For 1½-inch meter	4.00
For 2-inch meter	5.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly charge will purchase at the Quantity Rates.

SPECIAL CONDITIONS

Issued: May 10, 1968	Issued by: Joseph W. Barnes President	
Effective: July 21, 1968		
Advice No.: 23		

Sample "Advice Letter" Which Must Accompany Each Rate Filing
(Size 8½" x 11")

ADVICE NO. _____ (NAME OF UTILITY)

_____ (Date)

Public Service Commission of Nevada

_____ hereby transmits
(Name of Utility)
for filing the following changes in tariff schedules applicable to its
_____ which are attached hereto:
(Department or Area)

P. S. C. N. Sheet No.	Title of Sheet	Cancelling P. S. C. N. Sheet No.
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
etc.	etc.	etc.

Typical Wording Where New Service Is Involved:

This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with other schedules or rules and regulations. It is desired that this filing become effective on regular statutory (30 days) notice. (If longer than 30 days, specify the desired effective date.)

Typical Wording for Short Notice Application:

It is requested that this filing be made effective on less than statutory notice for the reason _____. It is requested these rates be made effective for billings on and after _____.

Typical Wording for Increases In Rates:

These tariffs are submitted pursuant to Commission Decision in Docket No. _____ dated _____. The tariffs are to become effective under such order on _____.

Typical Wording for Decrease In Rates:

This filing covers a reduction in the rate for (telephones, gas, electric, water - give full details) in the _____ service areas. There are no increases involved in this filing nor will it result in withdrawal of any service or conflict with other schedules or rules and regulations. It is desired that it become effective on _____ (Date) _____, which is on less than statutory notice and the Commission's authorization is requested for such notice which will result in additional savings to customers over and above the savings which would accrue on regular 30 days' notice. (Or other good cause)

The reduction in revenues based on present value of sales is as follows on an annual basis (by schedules and areas):

_____ (Name of Utility)

_____ (Name and Title of Utility Officer)

RULE 24

Tariff Filings by Motor Carriers

24.010 Applicability of rule

This rule governs the filing of an intrastate tariff, or tariff supplement, classification, or other reference tariff which contains the rates, rules, and regulations governing the operation of motor carriers. No request for an increase in rates may be made under this rule, except for the filing of a tariff seeking approval of a motor carrier's participation in a tariff bureau's rates and tariffs. The provisions of Rule 24.030, except subparagraphs (h) and (i), Rule 214.040, and Rule 24.060 do not apply to the National Motor Freight Classification or ATA Hazardous Materials Tariff.

24.020 Definition of tariff, or supplement, and rate

"Tariff" or "supplement," when used in this rule, includes any rule, regulation, classification, exception to a classification, and class, commodity special, and hourly rate under which a motor carrier operates.

"Rate" in this rule also includes any charge or fare, and any rule or regulation which affects a rate.

24.030 Form (see Sample Forms 24A through 24E attached to this rule)

1. Tariffs or supplements shall be in loose-leaf form on good quality paper, 8 1/2 inches by 11 inches in size, typed, printed, mimeographed, or reproduced by any other clear, legible, and durable process. If the tariff is also filed with the Interstate Commerce Commission and the Interstate Commerce Commission permits a size or format different from that specified by the Commission, that different size shall be accepted by the Commission.

2. The form shall be as follows:

(a) On each page, a one-(1) inch margin shall be provided on the left-hand or binding edge, and a one-half ($\frac{1}{2}$) inch margin shall be provided on the right-hand side. No printing or writing may appear in these margins.

(b) Each page shall be numbered in the upper left-hand corner beginning with Original Title Page, Original Page 1, Original Page 2, etc.

(c) Each page, except the title page shall have:

(1) In the upper right-hand corner, the P.S.C.N. number assigned to that tariff by the motor carrier, issuing agency, or agent.

(2) In the center at the top, the carrier's, issuing agency's, or agent's name and dba, if any, and below the name, the tariff description and number.

(3) In the lower left-hand corner, between the text on the page and the issued-by statement, the word "Issued:"

- (h) Except as provided in paragraph 24.060, six (6) copies of rules and regulations or rates, or both, shall be filed with the Commission at least thirty (30) days before becoming effective.
- (i) Any changes on a filed page shall be clearly marked with a code, or other pertinent symbol or abbreviation. For example:
- (1) ◆ - Increase;
 - (2) ♣ - Reduction;
 - (3) ▲ - Change resulting in neither increase or reduction:
or
 - (4) Any other pertinent symbol or abbreviation.

A separate page may be used for these codes (see sample attached as Form 24C), or when symbols are used, a note explaining them may be placed at the bottom of the page or within the block containing the affected rate item.

- (j) Each new or revised page (see paragraph f) shall have a correction number assigned to it beginning with Correction No. 1 and continuing numerically as new or revised pages are entered in that P.S.C.N. number tariff filing, inserted below the bottom line in the left-hand corner of the page (see Form 24E attached to this rule). Each tariff filed (P.S.C.N. No.) shall have a checking sheet for correction numbers (see Form 24C attached to this rule) on Page 1 and shall be referred to as that tariff filing is revised. One correction number shall be assigned to each new or revised page, and no correction number may be used for more than one page.
- (k) When reissuing any tariff that completely cancels a current tariff, the reissued tariff shall bear the same tariff number as the current tariff, suffixed by a letter, i.e. Tariff No. 1-A, and continuing through the alphabet as that tariff is reissued. The reissued tariff shall be assigned a new P.S.C.N. number that does not duplicate any other P.S.C.N. number on any other tariff by that motor carrier, issuing agency, or agent and be displayed on the reissued tariff as follows:

P.S.C.N. No. 2

 cancels

P.S.C.N. No. 1

Tariff No. 1-A

 cancels

Tariff No. 1

24.040 Index to tariff

Each loose-leaf or bound tariff and any tariff supplement to a bound tariff which exceeds ten (10) pages, except rate increase supplements, shall have:

1. A table of contents, listing in alphabetical order all rules, regulations, and rate sections that are included in the filing. The table shall state the item number, a brief description of the item, and the page number where the item can be found.
2. An alphabetical index of commodities included in the filing and showing the item numbers of each commodity listed.
3. If there is more than one carrier party to a tariff filing, an alphabetical index of the participating carriers, listing each item number that each listed carrier is a party to.
4. A list of the certificates of public convenience and necessity in the state that each motor carrier participating in the tariff filing holds. This list shall also contain a description of the routes or territory that the motor carrier is authorized to serve under each certificate and a list of the commodities that the motor carrier is authorized to transport under each certificate.

24.050 Transmittal letter

Each tariff filing shall be accompanied by six (6) copies of a transmittal letter and the appropriate filing fee. To acknowledge receipt of the filing a copy of the transmittal letter shall be date-stamped and returned by the Commission to the applicant. The transmittal letter shall state what effect, if any, the filing will have on the motor carrier's currently effective tariffs, and include a reference to those tariffs affected.

24.060 Tariff bureau participation

Nothing in this rule shall be construed to preclude a motor carrier, issuing agency, or agent from filing a tariff under NRS 706.321 requesting Commission approval on ten (10) days' notice of that carrier's participation in a tariff bureau's rates which have previously been filed with and approved by the Commission.

24.070 Tariff filing - including rate increase

The filing of any tariff sheet which will result in any increase in any rate or charge or in a more restrictive condition shall be filed as part of the application required under Rule 17.

24.080 Printing and posting of tariffs

Each motor carrier shall have posted, at each of its stations and offices, a complete copy of currently effective tariff schedules applicable to those stations and offices. These tariff schedules shall be open to the public and in a form and location readily accessible for public inspection. Each motor carrier shall also maintain on file at its principal place of business a complete copy of all its currently effective tariff schedules. This rule does not require the motor carrier to post tariff schedules at other than its own offices or terminals.

No supplement to this tariff will be issued except for the purpose of canceling the tariff unless specifically authorized by the Commission.

Additions to, changes in and eliminations from this tariff will be in loose-leaf form.

JOHN DOE TRUCKING COMPANY

FREIGHT TARIFF NO. 1
NAMING
RATES, RULE, AND REGULATIONS
FOR
THE TRANSPORTATION OF FREIGHT
BETWEEN
POINTS AND PLACES
IN THE STATE
OF NEVADA

Issued:
September 7, 1972
Effective:

Issued by:
John Doe
123 Elm St.
City, Nevada 89700

Original Title Page

(SAMPLE FORM 24B)

P.S.C.N. No. 2
cancels
P.S.C.N. NO. 1

No supplement to this tariff will be issued except for the purpose of canceling the tariff unless specifically authorized by the Commission.

Additions to, changes in and eliminations from this tariff will be in loose-leaf form.

JOHN BROWN
DBA
FOUR-WHEEL TRUCK CO.

FREIGHT TARIFF NO. 1-A
cancels
FREIGHT TARIFF NO. 1

NAMING
RATES, RULES AND REGULATIONS
FOR
THE TRANSPORTATION OF FREIGHT
BETWEEN
POINTS AND PLACES IN
THE STATE OF
NEVADA

Issued:
July 22, 1976

Effective:

Issued by:

John Brown
7600 Liberty St.
Metropolis, Nevada
89000

FREIGHT TARIFF NO. 1

CHECKING SHEET FOR TARIFF

Upon receipt of new or revised pages a check mark must be placed opposite the "Correction Number" (shown below) corresponding to number shown in lower left-hand corner of the new or changed page. If correction numbers are properly checked as received, check marks will appear in consecutive order without omissions. However, if check marks indicate that a revised page has not yet been received, request should at once be made to the issuing carrier for a copy of the new or revised page.

CORRECTION NUMBERS

1	7	13	19	25
2	8	14	20	26
3	9	15	21	27
4	10	16	22	28
5	11	17	23	29
6	12	18	24	30

EXPLANATION OF ABBREVIATIONS AND OTHER REFERENCE MARKS

dba.....Doing business as	*.....Change
Nev.....Nevada	¢.....Cent or Cents
No.....Number	\$.....Dollar or Dollars
Nos.....Numbers	⬆.....Increase
P.S.C.N..Public Service Commission of Nevada	⬇.....Reduction
+.....Addition	Δ.....Change, neither increase nor reduction

APPLICATION OF CARRIER'S OPERATIVE RIGHTS

Issued: September 7, 1972

Effective:

Issued by:
John Doe
123 Elm St.
City, Nevada

FREIGHT TARIFF NO. 1

RATES
(In dollars and cents per 100 lbs, except as noted)

Issued: September 7, 1972

Effective:

Issued by:
John Doe
123 Elm St.,
City, Nevada

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cancels
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(SAMPLE FORM 24E)

P.S.C.N. No. 2

JOHN BROWN
DBA
FOUR-WHEEL TRUCK CO.

Rule
No.

RULES AND REGULATIONS

Issued: July 22, 1976

Effective:

Issued by:
John Brown
7600 Liberty St.
Metropolis Nevada 89000

RULE 25

Construction Permits - Utility Environmental Protection Act

25.010 Scope

This rule applies to an application by a public utility for a permit to construct utility facilities, as defined in NRS 704.860. The requirements of this rule are in addition to other rules pertaining to pleadings.

25.020 Form and contents of application

1. An applicant for a construction permit pursuant to NRS 704.820 to 704.900, inclusive, shall submit an environmental analysis statement (EAS) as part of its permit application. The purpose of an EAS is to provide a standard format for the submission of information required by NRS 704.870 and to provide a full and fair discussion of significant environmental impacts associated with the construction and operation of the proposed utility facility and with all reasonable alternatives, including the "no action" alternative. An EAS shall be clear and concise and shall comply with the spirit of NRS 704.820 to 704.900, the Utility Environmental Protection Act.

2. An EAS shall include the following sections in the following order:

- a. Cover sheet. The cover sheet shall include the name of the applicant, the name of the proposed utility facility, the name of a contact at the utility for further information, a one paragraph abstract of the EAS, the date of public notice of the application pursuant to subsection 4 of NRS 704.870, and the date by which interested persons must notice or petition the Commission for intervention in the permit proceeding.
- b. Summary. The summary shall include a general description of the proposed utility facility, a general description of the location of the proposed utility facility with respect to the utility's certificated service area, major conclusions of the EAS, and areas of controversy.
- c. Utility facility location. This section shall include a detailed description of the location of the proposed utility facility, a description of the proposed associated equipment and location, diagrams of the structures involved in the proposed utility facility, and appropriately scaled maps of the location of the proposed utility facility.
- d. Purpose and need. This section shall include a description of the proposed utility facility over its expected life, a general description of the need for the proposed utility

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facility which includes, as appropriate, load forecasting and peak load projections, the anticipated construction schedule of the utility facility, the consequences of delaying construction of the utility facility, an analysis and comparison of the costs and benefits associated with the proposed utility facility and alternative actions, and a cost breakdown of the utility facility.

- e. The proposed utility facility and alternatives. This section shall include an evaluation and comparison of all reasonable locations for the proposed utility facility, an evaluation and comparison of all reasonable designs for the proposed utility facility, an evaluation of the "no action" alternative, and maps of appropriate scale showing all reasonable locations. The evaluation of all locations and designs shall include:
- (1) Affected environment. A description of the regional environmental characteristics in sufficient detail to provide an understanding of the environment existing at the time of the application and the impact that each alternative would have on that environment. The data and analyses shall be commensurate with the significance of the anticipated impacts.
 - (2) Environmental consequences. An evaluation of significant effects on the quality of the human environment, significant environmental impacts, means to mitigate adverse environmental impacts, and, as appropriate, energy requirements and natural or depletable resource requirements.
 - (3) Decision by the utility. A statement as to why the utility decided that the primary location and design selected by the utility are best suited for the utility facility.
- f. Study summary. This section shall list and summarize all studies that have been made of the environmental impact of the proposed utility facility.
- g. Contributors. This section shall list the name, qualifications, and professions of each contributor having primary responsibility for the preparation of the EAS, the federal, state, and local government agencies and private individuals and groups who have provided comments or input in the preparation of the EAS, and a bibliography.

- h. Other required approvals. This section shall list all federal, state, regional, and local agencies whose approval for the proposed utility facility is required and the types of permits to be issued. This list shall be correct as of the date of the application, shall give the status of each approval required, and shall be updated as any deletions or additions are required as federal, state, regional, or local laws change.

25.030 Service of application

Each application shall be accompanied by proof of service of a copy of the application on the clerk of each local government in the area in which any portion of the proposed utility facility is to be located, as primarily and as alternatively proposed, and on the chairperson of the state Environmental Commission created pursuant to NRS 445.451.

25.040 Publication of notice of application

Each application shall also be accompanied by proof that public notice of the application was given to persons residing in municipalities entitled to receive a copy of the application in accordance with Rule 25.030 by the publication of a summary of the application in newspapers published or distributed in the area in which the utility facility is proposed to be located.

25.050 Parties to permit proceeding

1 (a) The parties of record in a permit proceeding shall include:

1. The applicant.
2. The state Environmental Commission.
3. Each local government and state agency entitled to receive service of a copy of the application under Rule 25.030, if it has filed with the Commission a petition for leave to intervene pursuant to Rule 6.020 within forty-five (45) days after the date it was served with a copy of the application.
4. Any person residing in the jurisdiction of a local government entitled to receive service of a copy of the application under Rule 25.030, if that person has been granted leave to intervene pursuant to Rule 6 within forty-five (45) days after the date of the published notice.
5. Any domestic nonprofit corporation or association formed in whole or in part to promote conservation of natural beauty, to protect the environment,

personal health or other biological values, to preserve historical sites, to promote consumer interests, to represent commercial and industrial groups, or to promote the orderly development of the areas in which the utility facility is to be located, if that corporation or association has filed with the Commission a petition for leave to intervene pursuant to Rule 6.020 within forty-five (45) days after the date of the published notice.

- b. Any person may attend as a protestant pursuant to Rule 4.070.
 - c. The Commission may, for good cause shown, grant an untimely filed petition for leave to intervene to a municipality, government agency, or person or organization identified in paragraphs 2, 3, 4, or 5 of subsection a. of this rule.
2. A petition for leave to intervene under this rule shall be filed with the Commission with a proof of service of a copy of the petition on each party of record.

RULE 26

Security Issues

26.010 Scope

This rule applies to an application filed by a privately-owned public utility organized under the laws of, and operating in the State, for an order by the Commission authorizing the issuance of a security, as defined in NRS 704.322 or 706.661, or the assumption of an obligation as a guarantor, endorser, surety, or otherwise, in respect to any security of any other person, firm or corporation.

26.020 Form and contents of application

An application for an order of the Commission authorizing the issuance of a security, or the assumption of an obligation, pursuant to the provisions of NRS 704.322 through 704.328 or 706.661 through 706.691, shall contain the following data in the body of the application or as exhibits attached to it:

1. The amount and kind of stock or other security which applicant desires to issue if preferred stock, the nature and extent of the preference; the amount of bonds, notes, or other evidence of indebtedness which applicant desires to issue, with terms, rate of interest, and whether, and how to be secured; and the amount and description of the indebtedness which applicant desires to assume.
2. If the purpose for which the securities are to be issued is for:
 - (a) Property acquisition: a detailed description of the property, the consideration to be paid for the property and the method utilized in arriving at the amount.
 - (b) Construction, completion, extension or improvement of facilities: a description of the proposal in reasonable detail, the cost or estimated cost of it, and the reason or necessity for the expenditures.
 - (c) Improvement of service: a statement of the character of the improvements proposed.
 - (d) Maintenance of service: a statement of reasons why service should be maintained from capital.
 - (e) Discharge or refund of obligations: a full description of the obligations to be discharged or refunded,

including the character, date of incurrence, date of maturity, rate of interest, other material facts concerning the obligations, a statement showing the purpose for which those obligations have been incurred or the proceeds expended, and the Commission's decisions, if any, authorizing the incurrence of those obligations.

- (f) Reorganization or readjustment of indebtedness of capitalization, or retirement or exchange of securities; a full description of the indebtedness or capitalization to be readjusted or exchanged; complete terms and conditions of the merger, consolidation, exchange, or other reorganization; a pro forma balance sheet, if possible, or exchange; and a statement of the reason or necessity for the transaction.
 - (g) Reimbursement of monies actually expended from income or from any other monies in the treasury; a general description of the expenditures for which reimbursement is sought, the source of the expenditures, the periods during which the expenditures were made, and the reason or necessity for that reimbursement.
- 3. A complete description of the obligation or liability to be assumed by the applicant as guarantor, endorser, surety, or otherwise, the consideration to be received by the applicant, and the reasons for the action.
 - 4. An applicant whose capital stock or whose parent company's capital stock is listed on a national securities "exchange" as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78c, shall include in the application a copy of the latest proxy statement sent to stockholders, if not previously filed with the Commission. An applicant whose capital stock is registered pursuant to 15 U.S.C. § 78l shall include in the application a copy of the latest proxy statement sent to stockholders containing the information required by the rules of the Securities and Exchange Commission, unless that proxy statement has previously been furnished to the Commission.

26.030 Other information

In addition to the information required by Rule 26.020, the applicant shall submit any other information that may be requested by the Commission.

26.040 Exhibits required

The following exhibits shall be filed with the application.

- 1. If the applicant is a corporation, a copy of its articles of incorporation, certified by the Secretary of State, together with all effective amendments. If the articles of incorporation have previously been

filed with the Commission, the application need only make specific reference to that filing.

2. A copy of the most current financial statement of the applicant, which should include the following information:

- (a) The amount and kinds of stock authorized by the articles of incorporation and the amount outstanding.
- (b) Whether the preferred stock, if any, is cumulative or participating and whether its preference is on dividends, assets, or otherwise.
- (c) A brief description of each security agreement, mortgage, and deed of trust upon applicant's property, including the date of execution, debtor and secured party, mortgagor and mortgagee, trustor and beneficiary, amount of indebtedness authorized to be secured, amount of indebtedness actually secured, and any sinking fund provision.
- (d) The amount of bonds authorized and issued, the name of the public utility which issued them, each separate class, and the date of issue, par value, rate of interest, date of maturity, how secured, and the amount of the interest issue paid on the bonds during the last fiscal year.
- (e) Each note outstanding, the date of issue, amount, date of maturity, rate of interest, in whose favor it was issued, and the amount of interest paid on the note during the last fiscal year.
- (f) Other indebtedness by classes and a description of any security, a brief statement of the devolution or assumption of any portion of that indebtedness upon or by any person or corporation if the original liability has been transferred, and the amount of interest paid on the indebtedness during the last fiscal year.
- (g) The rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid in each of those years.
- (h) An income statement for the full twelve-(12) month period immediately preceding, insofar as practicable, the application date, and a balance sheet as of the date of the income statement.

RULE 27

APPLICATIONS TO CONSTRUCT, ALTER, ELIMINATE OR CHANGE RAILROAD CROSSINGS

27.010 Scope

This rule applies to applications under NRS 704.300 and 704.305. These requirements are in addition to the rules pertaining to pleadings and to Commission General Order No. 11.

27.020 Construction of a public highway across a railroad

An application to construct a public road, highway, or street across a railroad shall be made in writing by the municipal, county, state, or other governmental authority which proposes the construction. The application shall contain the following data:

1. A legal description of the location of the proposed crossing.
2. Crossing numbers of the nearest existing public crossing on each side of the proposed crossing. Numbers may be obtained from the crossing sign at the crossing, or from the office of the railroad.
3. A statement showing the public need to be served by the proposed crossing.
4. If the proposed crossing is at a grade, a statement showing why a separation of grades is not practicable.
5. A statement showing the signs, signals, or other protection that the applicant recommends for the proposed crossing.
6. A map of suitable scale, between 50 and 200 feet per inch, showing the accurate locations of all streets, roads, property lines, tracks, buildings, structures, or other obstructions to view for a distance of at least 400 feet along the railroad and 200 feet along the highway in each direction from the proposed crossing. This map shall show the character and width of the existing or proposed surface or pavement on the street or roads on each side of the proposed crossing.
7. A map of suitable scale, between 1,000 and 3,000 feet per inch, showing the relation of the proposed crossing to existing roads and railroads in the general vicinity of the proposed crossing.
8. A profile showing the ground line, grade line, and the rate of grades of approach on all railroads affected by the proposed crossing.

27.030 Construction of a railroad track across a public highway

An application to construct a track across a public road, highway, or street, shall be made in writing by the railroad which proposes the construction. The application shall contain the data required by Rule 27.020 as well as the following:

1. A certified copy of the franchise or permit, if required, from the authority having jurisdiction, which gives the railroad the right to cross the highway involved. If the franchise or permit has already been filed, the application need only make specific reference to that filing;
2. The proposed crossing number; and
3. A map required by paragraph 6 of Rule 27.020, which shall also show, by distinct colorings or lines, all new tracks or changes in existing tracks, within the limits of the drawing, which would be made in connection with the construction of the proposed crossing.

27.040 Relocating or altering an existing crossing

An application or complaint initiated pursuant to NRS 704.300 for the elimination, alteration, addition or change of a highway crossing or crossings over any railroad at grade, or above or below grade, including its approaches and surface, shall be made in writing to the Commission. The application or complaint shall contain the information required by Rule 27.020, except that the crossing number of the affected crossing shall be stated in addition to the information required by subsection 2 of Rule 27.020.

27.050 Service of applications and complaints

An application or complaint filed pursuant to Rule 27 shall be served on the board of county commissioners or town board or council of any town or municipality directly affected by the filing, on the railroad company affected and on the department of highways. The original application or complaint shall contain a certification of this service in the form required by Rule 9.030.

27.060 Hearing; order

a. Upon the filing of an application or complaint, the Commission shall hold a hearing after at least 10 days' notice pursuant to Rules 11.010 and 11.020.

b. Upon conclusion of the hearing, the Commission shall within a reasonable time either deny the application or the relief sought in the complaint, in writing, stating its reasons, or issue its order granting in whole or in part the application or the relief sought in the complaint, attaching thereto such conditions as to the Commission appear necessary to protect the public and to prevent accidents.

27.070 Apportionment of costs of construction, reconstruction, protective devices

If the railroad and governmental units involved have negotiated an agreement apportioning costs pursuant to subsection 8 of NRS 704.305, a copy of that agreement shall be included with the original application filed with the Commission pursuant to this rule.

RULE 28

PETITION FOR ADOPTION, FILING, AMENDMENT, REPEAL OF REGULATIONS

28.010 Petitions for adoption, filing, amendment, repeal of regulations

Pursuant to NRS 233B.100, any interested person may petition the Commission requesting the adoption, filing, amendment, or repeal of any Commission regulation.

28.020 Contents and form

1. Petitions submitted pursuant to this rule shall be in writing, shall include the name and address of the petitioning party, shall contain a clear and concise statement of the reason or reasons for which Commission action is requested, shall include relevant data and affidavits, if any, and shall contain a clear and concise statement of requested Commission action with respect to the regulation or the proposed regulation.

2. The form and size of the petitions shall conform to the requirements of Rule 7.

28.030 Commission consideration and disposition

The Commission shall convene to consider each petition submitted in accordance with this rule. Hearings may be held by the Commission to determine the merits of the petition. Within thirty (30) days of the filing of the petition, the Commission shall either notify the petitioning party in writing of its denial of the petition, stating its reasons, or shall initiate regulation-making proceedings.

