

SENATE BILL NO. 126—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

FEBRUARY 13, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Exempts retail customers who purchase energy from municipal and local governmental utilities from payment of universal energy charge. (BDR 58-344)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to energy; exempting retail customers who purchase energy from municipal and local governmental utilities from the payment of the universal energy charge; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 702.060 is hereby amended to read as follows:
2 702.060 “Municipal *or local governmental* utility” includes,
3 without limitation:
4 1. A utility established pursuant to chapter 709 or 710 of NRS.
5 2. Any other utility that is owned, operated or controlled by ~~the~~
6 *any* county, city, *town* or other local governmental entity.
7 **Sec. 2.** NRS 702.150 is hereby amended to read as follows:
8 702.150 1. The provisions of NRS 702.160 do not apply to
9 any therm of natural gas or any kilowatt-hour of electricity that a
10 retail customer purchases from:
11 (a) A rural electric cooperative established pursuant to chapter
12 81 of NRS.
13 (b) A general improvement district established pursuant to
14 chapter 318 of NRS.



1 (c) A cooperative association, nonprofit corporation, nonprofit
2 association or provider of service which is declared to be a public
3 utility pursuant to NRS 704.673 and which provides service only to
4 its members.

5 (d) *A municipal or local governmental utility.*

6 2. If a retail customer is exempted from paying the universal
7 energy charge pursuant to subsection 1, the retail customer may not
8 receive money or other assistance from:

9 (a) The Welfare Division pursuant to NRS 702.260 for any
10 utility service for which the retail customer is exempted from paying
11 the universal energy charge; or

12 (b) The Housing Division pursuant to NRS 702.270.

13 **Sec. 3.** NRS 702.160 is hereby amended to read as follows:

14 702.160 1. Except as otherwise provided in this section and
15 NRS 702.150, each retail customer shall pay:

16 (a) A universal energy charge of 3.30 mills on each therm of
17 natural gas that the retail customer purchases from another person
18 for consumption in this state; and

19 (b) A universal energy charge of 0.39 mills on each kilowatt-
20 hour of electricity that the retail customer purchases from another
21 person for consumption in this state.

22 2. The provisions of subsection 1 do not apply to:

23 (a) Any therm of natural gas used as a source of energy to
24 generate electricity.

25 (b) Any kilowatt-hour of electricity used in industries utilizing
26 electrolytic-manufacturing processes.

27 3. If a retail customer uses the distribution services of a public
28 utility ~~for municipal utility~~ to acquire natural gas or electricity that
29 is subject to the universal energy charge, the public utility ~~for~~
30 ~~municipal utility~~ providing the distribution services shall:

31 (a) Collect the universal energy charge from each such retail
32 customer;

33 (b) Ensure that the universal energy charge is set forth as a
34 separate item or entry on the bill of each such retail customer; and

35 (c) Not later than 30 days after the end of each calendar quarter,
36 remit to the Commission the total amount of money collected by the
37 public utility ~~for municipal utility~~ for the universal energy charge
38 for the immediately preceding calendar quarter.

39 4. If a retail customer does not use the distribution services of a
40 public utility ~~for municipal utility~~ to acquire natural gas or
41 electricity that is subject to the universal energy charge, not later
42 than 30 days after the end of each calendar quarter, the retail
43 customer shall remit to the Commission the total amount of money
44 owed by the retail customer for the universal energy charge for the
45 immediately preceding calendar quarter.



1 5. If, during a calendar quarter, a single retail customer or
2 multiple retail customers under common ownership and control pay,
3 in the aggregate, a universal energy charge of more than \$25,000 for
4 all consumption of natural gas and electricity during the calendar
5 quarter, such retail customers are entitled to a refund, for that
6 calendar quarter, of the amount of the universal energy charge that
7 exceeds \$25,000. To receive a refund pursuant to this section, not
8 later than 90 days after the end of the calendar quarter for which the
9 refund is requested, such retail customers must file with the
10 Commission a request for a refund. If a request for a refund is filed
11 with the Commission:

12 (a) The Commission shall determine and certify the amount of
13 the refund; and

14 (b) The refund must be paid as other claims against the State are
15 paid from money in the Fund.

16 **Sec. 4.** NRS 702.170 is hereby amended to read as follows:

17 702.170 1. The Commission shall adopt regulations to carry
18 out and enforce the provisions of NRS 702.160. Such regulations
19 may require public utilities ~~[, municipal utilities]~~ and retail
20 customers that are required to collect or remit money for
21 the universal energy charge to file reports and to provide the
22 Commission with information relating to compliance with the
23 requirements of the universal energy charge.

24 2. In carrying out the provisions of NRS 702.160, the
25 Commission shall solicit advice from the Consumer's Advocate of
26 the Bureau of Consumer Protection in the Office of the Attorney
27 General, public utilities ~~[and municipal utilities]~~ and other
28 knowledgeable persons.

29 3. The Commission may conduct audits and investigations of
30 public utilities ~~[, municipal utilities]~~ and retail customers that are
31 required to collect or remit money for the universal energy charge, if
32 the Commission determines that such audits and investigations are
33 necessary to verify compliance with the requirements of the
34 universal energy charge. In conducting such audits and
35 investigations, the Commission may exercise any of the
36 investigative powers granted to the Commission pursuant to chapter
37 703 of NRS, including, without limitation, the power to issue orders
38 to compel the appearance of witnesses and the production of books,
39 accounts, papers and records.

40 4. To carry out its powers and duties pursuant to this chapter,
41 the Commission is entitled to an administrative charge of not more
42 than 3 percent of the money collected for the universal energy
43 charge. After deduction of its administrative charge, the
44 Commission shall deposit the remaining money collected for the
45 universal energy charge in the State Treasury for credit to the Fund.



1 5. The Commission may bring an appropriate action in its own
2 name for recovery of any money that a person fails to pay, collect or
3 remit in violation of the requirements of the universal energy
4 charge.

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