

Amendment No. 915

Assembly Amendment to Senate Bill No. 238 First Reprint	(BDR 58-1156)
Proposed by: Committee on Commerce and Labor	
Amendment Box:	
Resolves Conflicts with: N/A	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
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Amend section 1, page 2, line 14, by deleting “4” and inserting “[4] 5”.

Amend sec. 3, page 3, line 44, by deleting “[or]” and inserting “or”.

Amend sec. 3, page 4, by deleting lines 2 through 8 and inserting:

“letter of advice in accordance with the provisions of subsection [4.] 5.

2. A public utility shall *adjust its rates on a quarterly basis between annual rate adjustment applications pursuant to subsection 8 of NRS 704.110 based on changes in the public utility’s recorded costs of natural gas purchased for resale.*

3. *A public utility shall* post copies of all proposed schedules”.

Amend sec. 3, page 4, line 13, by deleting “3.” and inserting “[3.] 4.”.

Amend sec. 3, page 4, by deleting line 20 and inserting:

“[4.] 5. Except as otherwise provided in subsection [5.] 6, if the”.

Amend sec. 3, page 4, line 29, by deleting “5.” and inserting “[~~5.~~ 6.”.

Amend sec. 3, page 4, by deleting line 36 and inserting:

“~~6.~~ 7. In making the determination pursuant to subsection [~~4 or 5,~~ 5 or 6,”.

Amend sec. 4, page 6, line 8, after “*of*” by inserting “*all*”.

Amend sec. 4, page 6, by deleting line 9 and inserting:

“in circumstances. If such a statement is filed, it must include all increases and decreases in revenue and expenses which may occur within 210 days after the date”.

Amend sec. 4, page 6, line 19, after “*subsection*” by inserting:

“and evidence relevant to the statement”.

Amend sec. 4, page 7, lines 8 and 9, by deleting:

“if the public utility is authorized to adjust” and inserting:

“and which adjusts”.

Amend sec. 4, page 7, line 12, by deleting “*may*” and inserting “*must*”.

Amend sec. 4, page 8, line 25, by deleting “4” and inserting “[~~4~~ 5”.

**If this amendment is adopted, the Legislative
Counsel's Digest will be changed to read as follows:**

Legislative Counsel's Digest:

Existing law contains certain requirements and procedures that a public utility must follow when filing a general rate application. Specifically, a public utility must submit a statement showing its actual revenues, expenses, investments and costs of capital for the most recent 12-month period of operations from which such data is available. Based on the actual data obtained from the prior 12-month period of operations and any supplemental data submitted by the utility, the Public Utilities Commission of Nevada establishes new rates for the utility. (NRS 704.110)

This bill allows a natural gas utility to submit with its general rate application a statement showing the effects of certain changes which are expected to occur within 210 days after the date on which its general rate application is filed with the Commission. If the public utility proves that the expected changes are reasonably known and are measurable with reasonable accuracy, the Commission shall consider the effects of those expected changes in establishing just and reasonable rates for the public utility.

Existing law allows a natural gas utility to file an application with the Commission once every 30 days to recover from ratepayers any increased costs the utility pays for its supply of natural gas. (NRS 704.110) Upon receipt of such an application, the Commission generally must provide notice of the application and hold a hearing concerning the proposed rate increase. (NRS 703.320) In addition, the Commission generally must conduct a consumer session to solicit comments from the public concerning the proposed rate increase. (NRS 704.069)

This bill requires a natural gas utility to request approval from the Commission to adjust its rates on a quarterly basis between annual rate adjustment applications based on changes in the costs of natural gas. If the request is approved, the utility's quarterly rate adjustments are not subject to the requirements for notice, hearings or consumer sessions. Instead, the utility must file an annual rate adjustment application with the Commission to review the appropriateness of the utility's quarterly rate adjustments. The Commission must adjust the utility's rates if the Commission determines that any quarterly rate adjustment made by the utility was not reasonable or was the result of any imprudent practice or transaction.

Finally, this bill requires the Commission to open an investigatory docket to study the various methodologies that may be used to establish just and reasonable rates in cases involving general rate applications filed by public utilities. The Commission must consider the possible use of different ratemaking methodologies, such as projected test year methodologies, as an alternative to the historical test year methodologies currently used in Nevada. The Commission must submit a report of its findings and recommendations to the Director of the Legislative Counsel Bureau for transmission to the 2007 Legislature.