

Water Utilities Legislation

Below is a list of legislation that has to deal with each specific area.

<http://www.leg.state.nv.us/nrs/nrs-704.html#NRS704Sec660>

<http://www.leg.state.nv.us/NAC/nac-704.html#NAC704Sec565>

Integrated Resource Plans

NRS 704.661 to 704.6624

NRS 704.663

NAC 704.565 to 704.5688

General Rate Case

NRS 704.100 to 704.110

NAC 703.2201 to 703.2481

Certification of Public Convenience

NAC 703.170 to 703.205

Utilities Environmental Protection Act Permit to Construct

NRS 704.870 to 704.890

NAC 703.421 to 703.423

Integrated Resource Plans

NRS 704.661 to 704.6624

WATER SERVICE AND SEWAGE SERVICE

NRS 704.660 Public utility supplying water required to provide sufficient water for protection from fire at reasonable rates; regulations by Commission.

1. Any public utility which furnishes, for compensation, any water for domestic purposes shall furnish each city, town, village or hamlet which it serves with a reasonably adequate supply of water at reasonable pressure for fire protection and at reasonable rates, all to be fixed and determined by the Commission.

2. The duty to furnish a reasonably adequate supply of water provided for in subsection 1 includes the laying of mains with all necessary connections for the proper delivery of the water for fire protection, the installation of appliances to assure a reasonably sufficient pressure for fire protection and the maintenance of fire hydrants that are the property of the public utility and located either within a public right-of-way or upon private property to which the public utility is permitted reasonable access without cost.

3. The Commission may fix and determine reasonable rates and prescribe all installations and appliances adequate for the proper utilization and delivery of water for fire protection. The Commission may adopt regulations and practices to be followed by a utility in furnishing water for fire protection, and has complete jurisdiction of all questions arising under the provisions of this section.

4. All proceedings under this section must be conducted pursuant to [NRS 703.320](#) to [703.370](#), inclusive, and [704.005](#) to [704.645](#), inclusive. All violations of any order made by the Commission under the provisions of this section are subject to the penalties for similar violations of the provisions of [NRS 704.005](#) to [704.645](#), inclusive.

5. This section applies to and governs all public utilities furnishing water for domestic use on March 26, 1913, unless otherwise expressly provided in the charters, franchises or permits under which those utilities are acting. Each public utility which supplies water for domestic uses after March 26, 1913, is subject to the provisions of this section, regardless of any conditions to the contrary in any charter, franchise or permit of whatever character granted by any county, city, town, village or hamlet within this State, or of any charter, franchise or permit granted by any authority outside this State.

[1:255:1913; 1919 RL p. 3172; NCL § 6158] + [2:255:1913; 1919 RL p. 3172; NCL § 6159] + [3:255:1913; 1919 RL p. 3172; NCL § 6160] + [4:255:1913; 1919 RL p. 3173; NCL § 6161] + [5:255:1913; 1919 RL p. 3173; NCL § 6162]—(NRS A [1979, 248](#); [1989, 728](#); [2003, 3029](#); [2007, 494](#))

NRS 704.661 Certain public utilities furnishing water or sewage service required to submit resource plan for meeting demand made on system; request for waiver from submission of resource plan; contents and procedure; recovery of certain costs and expenditures relating to plan.

1. Except as otherwise provided in this section, a public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, and which had an annual gross operating revenue of \$1,000,000 or more for at least 1 year during the immediately preceding 3 years shall, on or before March 1 of every third year, in the manner specified by the Commission, submit a plan to the Commission to provide sufficient water or services for the disposal of sewage to satisfy the demand made on its system by its customers. If a public utility furnishes both water and services for the disposal of sewage, its annual gross operating revenue for each service must be considered separately for determining whether the public utility meets the requirements of this subsection for either service.

2. A public utility may request a waiver from the requirements of subsection 1 by submitting such a request in writing to the Commission not later than 180 days before the date on which the plan is required to be submitted pursuant to subsection 1. A request for a waiver must include proof satisfactory that the public utility will not experience a significant increase in demand for its services or require the acquisition or construction of additional infrastructure to meet present or future demand during the 3-year period covered by the plan which the public utility would otherwise be required to submit pursuant to subsection 1.

3. The Commission shall, not later than 45 days after receiving a request for a waiver pursuant to subsection 2, issue an order approving or denying the request. The Commission shall not approve the request of a public utility for a waiver for consecutive 3-year periods.

4. The Commission:

(a) Shall adopt regulations to provide for the contents of and the method and schedule for preparing, submitting, reviewing and approving a plan submitted pursuant to subsection 1; and

(b) May adopt regulations relating to the submission of requests for waivers pursuant to subsection 2.

5. Not later than 180 days after a public utility has filed a plan pursuant to subsection 1, the Commission shall issue an order accepting the plan as filed or specifying any portion of the plan it finds to be inadequate.

6. If a plan submitted pursuant to subsection 1 and accepted by the Commission pursuant to subsection 5 and any regulations adopted pursuant to subsection 4 identifies a facility for acquisition or construction, the facility shall be deemed to be a prudent investment and the public utility may recover all just and reasonable costs of planning and constructing or acquiring the facility.

7. All prudent and reasonable expenditures made by a public utility to develop a plan filed pursuant to subsection 1, including, without limitation, any environmental, engineering or other studies, must be recovered from the rates charged to the public utility's customers.

(Added to NRS by [2007, 489](#); A [2009, 2476](#); [2013, 25](#))

NRS 704.662 Plan of water conservation: Requirement and procedure for adoption; review by Commission; election to comply with plan adopted by Commission.

1. Except as otherwise provided in subsection 5, each public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes shall adopt a plan of water conservation based on the climate and the living conditions in its service area in accordance with the provisions of [NRS 704.6622](#). The provisions of the plan must only apply to the public utility's property and its customers.

2. As part of the procedure of adopting a plan, the public utility shall provide an opportunity for any interested party, including, but not limited to, any private or public entity that supplies water for municipal, industrial or domestic purposes, to submit written views and recommendations on the plan.

3. Except as otherwise provided in subsection 6, the plan:

(a) Must be available for inspection by members of the public during office hours at the office of the public utility; and

(b) May be revised from time to time to reflect the changing needs and conditions of the service area. Each such revision must be filed with the Commission and made available for inspection by members of the public within 30 days after its adoption.

4. The plan must be approved by the Commission before it is put into effect.

5. In lieu of adopting a plan pursuant to subsection 1, a public utility which is subject to the provisions of [NRS 704.095](#) may elect to comply with a plan of water conservation adopted by the Commission for this purpose.

6. If the public utility is required by order of the Commission to file a management plan for water resources, the public utility may adopt and file the plan of water conservation with the Commission at the same time it is required to file the management plan for water resources.

(Added to NRS by [1991, 522](#); A [2001, 1766](#))

NRS 704.6622 Plan of water conservation: Contents; approval by Commission.

1. A plan of water conservation submitted to the Commission for approval must include provisions relating to:

(a) Methods of public education to:

(1) Increase public awareness of the limited supply of water in this state and the need to conserve water.

(2) Encourage reduction in the size of lawns and encourage the use of plants that are adapted to arid and semiarid climates.

(b) Specific conservation measures required to meet the needs of the service area, including, but not limited to, any conservation measures required by law.

(c) The management of water to:

(1) Identify and reduce leakage in water supplies, inaccuracies in water meters and high pressure in water supplies; and

(2) Increase the reuse of effluent.

(d) A contingency plan for drought conditions that ensures a supply of potable water.

(e) A schedule for carrying out the plan.

(f) Measures to evaluate the effectiveness of the plan.

2. A plan submitted for approval must be accompanied by an analysis of the feasibility of charging variable rates for the use of water to encourage the conservation of water.

3. The Commission shall review any plan submitted to it and approve the plan if it is based on the climate and living conditions of the service area and complies with the requirements of this section.

(Added to NRS by [1991, 523](#))

NRS 704.6624 Plan to provide incentives for water conservation: Procedure for adoption; revision; review and approval by Commission.

1. Each public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes shall adopt a plan to provide incentives:

(a) To encourage water conservation in its service area;

(b) To retrofit existing structures with plumbing fixtures designed to conserve the use of water; and

(c) For the installation of landscaping that uses a minimal amount of water.

2. As part of the procedure of adopting a plan, the public utility shall provide an opportunity for any interested person to submit written views and recommendations on the plan.

3. The plan:

(a) Must be available for inspection by members of the public during office hours at the office of the public utility; and

(b) May be revised from time to time to reflect the changing needs and conditions of the service area. Each such revision must be filed with the Commission and made available for inspection by members of the public within 30 days after its adoption.

4. The Commission shall review the plan for compliance with this section within 30 days after its submission. The plan must be approved by the Commission before it is put into effect.

(Added to NRS by [1991, 523](#); A [2001, 1766](#))

Integrated Resource Plans

NRS 704.663

NRS 704.663 Certain public utilities furnishing water or sewage service: Regulations by Commission to consider certain requests by utility to recover costs or impose surcharge. The Commission shall adopt regulations specifying the information the Commission will consider:

1. In reviewing a request included in an application to make changes in any schedule submitted pursuant to [NRS 704.110](#) by a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both, to recover an amount based on the anticipated effects of implementing a plan of water conservation, including, without limitation, the anticipated effects of decreased consumption of water by customers of the public utility as the result of the implementation of a plan for water conservation or the charging of rates to encourage water conservation;

2. In reviewing a request included in an application to make changes in any schedule submitted pursuant to [NRS 704.110](#) by a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both, to recover the costs of providing service without regard to the difference in the quantity of water actually sold by the public utility by taking into account the adjusted and annualized quantity of water sold during a test year and the growth in the number of customers of the public utility; and

3. In reviewing a request included in a plan or amendment to a plan submitted pursuant to [NRS 704.661](#) by a public utility which furnishes, for compensation, any water for municipal, industrial or domestic purposes, or services for the disposal of sewage, or both, and which had an annual gross operating revenue of \$1,000,000 or more for at least 1 year during the immediately preceding 3 years or, if the public utility is authorized to follow the simplified procedures or methodologies for a change of rates pursuant to [NRS 704.095](#), made in such other form as prescribed by the Commission, to impose a surcharge for the purpose of funding and encouraging investment in infrastructure in the period between the filing of rate cases by the public utility. The imposition of any such surcharge approved by the Commission is not subject to the provisions of [NRS 704.110](#).

(Added to NRS by [2013, 2311](#))

Integrated Resource Plans

NAC 704.565 to 704.5688

Resource Planning

NAC 704.565 Definitions. ([NRS 703.025](#), [704.210](#), [704.661](#)) As used in [NAC 704.565](#) to [704.5688](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 704.5651](#) to [704.5658](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5651 "Action plan" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Action plan" means a detailed specification of the actions that a utility intends to take to meet its water demand, supply and wastewater treatment requirements during the 3 years immediately following the year in which its resource plan is filed with the Commission.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5652 "Conservation plan" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Conservation plan" means the plan developed by a utility for water conservation for the term of a resource plan.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5653 "Funding plan" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Funding plan" means the plan developed by a utility that demonstrates the financial impact of an action plan on the utility and its customers.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5654 "Resource plan" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Resource plan" means the plan developed by a utility for the provision of water or services for the disposal of the sewage of its customers for a period of 20 years immediately following the year in which the resource plan is filed with the Commission.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5655 "Utility" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Utility" means a public utility that is required to submit a resource plan pursuant to [NRS 704.661](#).

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5656 "Wastewater treatment" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Wastewater treatment" means any service for the disposal of sewage. The term includes, without limitation, the collection of sewage, disposal of effluent and the reclamation of water.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5657 "Water supply and wastewater treatment plan" defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) "Water supply and wastewater treatment plan" means the plan developed by a utility to meet its forecasted demand for water and requirements for wastewater treatment during the term of a resource plan. The term includes a wastewater treatment plan submitted by a utility that provides only services for the disposal of sewage.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5658 “Water year” defined. ([NRS 703.025](#), [704.210](#), [704.661](#)) “Water year” means the amount of precipitation recorded on an annual basis by an entity in the region where the utility is located.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.566 Provision of overview of resource plan to certain entities before filing. ([NRS 703.025](#), [704.210](#), [704.661](#)) A utility must, not later than 4 months before the date on which the utility intends to file its resource plan with the Commission, meet with the Bureau of Consumer Protection in the Office of the Attorney General and the Regulatory Operations Staff of the Commission and provide an overview of the utility’s resource plan.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.5661 Resource plan: Summary. ([NRS 703.025](#), [704.210](#), [704.661](#)) The resource plan of a utility must be accompanied by a summary that is suitable for distribution to the public. Any tables, graphs or maps used in the summary must be easily interpretable by the public. The summary must include, without limitation:

1. A brief introduction that describes the utility, its facilities and the purpose and duration of the resource plan;
 2. A statement that identifies the issues relating to the supply of water and services for the disposal of sewage and the utility’s strategy for addressing those issues;
 3. A description of the criteria used by the utility to develop the resource plan, including, without limitation, a summary of each forecast prepared by the utility pursuant to [NAC 704.5667](#);
 4. A statement that identifies the utility’s current and projected requirements during the term of the resource plan for each of the following:
 - (a) Water supply;
 - (b) Water rights;
 - (c) Storage;
 - (d) Transmission and distribution system;
 - (e) Fire flows and fire hydrants;
 - (f) Wastewater treatment; and
 - (g) Water conservation; and
 5. The methods that the utility proposes to use to fund the costs related to the resource plan.
- (Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.5662 Resource plan: General requirements. ([NRS 703.025](#), [704.210](#), [704.661](#)) The resource plan of a utility must include, without limitation:

1. The current and historical ownership and organization of the utility;
2. The name and qualifications of each person who participated in the development of the resource plan;
3. A description of the manner in which the information in the resource plan is organized and a definition of each specialized term, acronym or abbreviation used in the resource plan;
4. A description of the utility’s service area, including, without limitation, the number of customers in each class of service within the service area;
5. A statement identifying the issues relating to the supply of water and services for the disposal of sewage;
6. The objectives of the resource plan; and
7. A map that indicates the geographic areas included in the resource plan. Each map must indicate the portion of the service area of the utility indicated on the map:

- (a) The service area of the utility included in the resource plan;
 - (b) The locations of the utility's facilities;
 - (c) The location of all water supplies that are owned by the utility or under contract to the utility;
 - (d) The interconnections between the utility's system and the systems of other utilities and suppliers of water;
 - (e) The utility's facilities for water transmission; and
 - (f) The location of each site for:
 - (1) The collection of sewage;
 - (2) The treatment of wastewater;
 - (3) The disposal of effluent;
 - (4) The reclamation of water; and
 - (5) Any other type of treatment of wastewater that is under contract to the utility.
- (Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5663 Resource plan: Identification of inapplicable regulatory provisions. ([NRS 703.025](#), [704.210](#), [704.661](#)) If a utility believes that any provision of [NAC 704.565](#) to [704.5688](#), inclusive, is not applicable to the utility, it must identify the provision in its resource plan and demonstrate why the provision is not applicable to the utility.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5664 Resource plan: Written testimony. ([NRS 703.025](#), [704.210](#), [704.661](#)) The resource plan of a utility must include written testimony in support of the resource plan.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5665 Resource plan: Integrated analysis. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The resource plan of a utility must include and provide an integrated analysis of the utility's:
 - (a) Conservation plan;
 - (b) Water supply and wastewater treatment plan;
 - (c) Funding plan; and
 - (d) Action plan.
2. The analysis must establish priorities among the utility's options for water conservation, water supply, wastewater treatment and funding to enable the Commission to determine the extent to which the utility's action plan balances the objectives of minimizing cost, mitigating risk and maximizing reliability of service over the term of the action plan.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5666 Resource plan: Technical appendix. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The resource plan of a utility must include a technical appendix. The appendix must be prepared in sufficient detail to enable a technically proficient person to:

(a) Understand how the resource plan, including, without limitation, the forecasts required pursuant to [NAC 704.5667](#), was prepared;

- (b) Verify the adequacy and accuracy of the data used to develop the resource plan; and
- (c) Evaluate the validity of the assumptions and methods used to develop the resource plan.

2. The appendix must include, without limitation:

- (a) A list of the major assumptions used to develop the resource plan;
- (b) A description of the forecasting methods used to develop the resource plan;
- (c) A description of any computer software used to develop the resource plan;
- (d) Citations to the sources of all significant information used to develop the resource plan;

- (e) A description of each model and formula used, including documentation to the extent consistent with any proprietary restrictions imposed upon the utility by a supplier of a model;
 - (f) Descriptions of all data inputs to the models used to develop the resource plan and an explanation of any modifications made to the data;
 - (g) The final results derived from the models used to develop the resource plan; and
 - (h) Projections of the availability and cost of water rights for the term of the resource plan.
- (Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5667 Resource plan: Forecasts; inconsistent water sources; changes in methodology of forecasting. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The resource plan of a utility must include forecasts for the term of the resource plan of the utility's:
 - (a) Peak demand in summer and winter for water flows;
 - (b) Peak demand in summer and winter for wastewater flows;
 - (c) Annual water consumption;
 - (d) Annual wastewater flows; and
 - (e) Annual losses of water from the system.
 2. The forecasts must:
 - (a) Apply to the entire system of the utility;
 - (b) Be based on the most probable set of future conditions that may affect water consumption and wastewater flows, including, without limitation, the customer base of the utility; and
 - (c) If applicable, be separated according to rate schedule.
 3. If the utility's forecast includes water from a water source that may not be available at a consistent level of use because of specific legal, environmental, water quality or climatic factors, the utility shall describe its plans to supplement or replace that water source, to the extent practicable, with alternative water sources or measures to manage the demand for water.
 4. In preparing the forecasts, the utility shall:
 - (a) Describe the opportunities for the exchange or transfer of water with other utilities during the short-term and the long-term; and
 - (b) Consider the effects that new technologies and new laws, regulations and other governmental programs may have on the forecasts.
 5. To verify and complete the forecast, the utility may evaluate the forecast with the results of alternative forecasting methods.
 6. Any change in the methodology of forecasting used by the utility from the methodology used in the utility's previous resource plan must be identified in the current resource plan of the utility.
- (Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5668 Resource plan: Information concerning entire system of utility for 10 previous years. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The resource plan of a utility must include the following information for the entire system of the utility for each of the 10 years immediately preceding the year in which the resource plan is filed with the Commission:
 - (a) The recorded and coincident peak demand for water;
 - (b) The recorded sales of water and wastewater flows;
 - (c) The estimated or actual amount of water lost;
 - (d) The estimated or actual amount of water used;
 - (e) The estimated or actual amount of effluent disposed of by the utility; and
 - (f) The estimated or actual amount of reclaimed water sold or used by the utility.

2. To the extent practicable, the information must be organized by class of service.
(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5669 Resource plan: Assessment of projected reliability of water service; population estimates. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The resource plan of a utility, other than a utility that provides only services for the disposal of sewage, must include an assessment of the projected reliability of the utility's water service to its customers. The assessment must compare the total projected water supply available to the utility with the total projected water use by the utility's customers during a normal water year, a single dry water year and 3 consecutive dry water years. The assessment must be provided for the 5th, 10th, 15th and 20th years of the resource plan.

2. A utility shall, in its resource plan, use estimates of population obtained from a state, regional or local agency within the service area of the utility.

3. As used in this section:

- (a) "Dry water year" means a water year that has precipitation that is less than 80 percent of the precipitation in a normal water year.

- (b) "Normal water year" means a water year that has precipitation equal to the average precipitation calculated by an entity in the region where the utility is located.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.567 Conservation plan: General requirements. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The conservation plan of a utility must include, without limitation:

- (a) A description of each program of water conservation that the utility has implemented, is implementing or proposes to implement, including, without limitation:

- (1) Water surveys for single-family residential customers and multifamily residential customers;

- (2) Programs to encourage retrofitting of residential plumbing;

- (3) Water audits, leak detection and repair;

- (4) The use of water meters with commodity rates for new connections and the retrofitting of existing connections;

- (5) Incentives and other programs of water conservation for golf courses, parks, school grounds and other large landscapes;

- (6) Rebates or other incentives for the purchase of high-efficiency washing machines;

- (7) Programs of public information;

- (8) Educational programs in schools;

- (9) Conservation programs for commercial, industrial, governmental and other customers;

- (10) The use of conservation pricing;

- (11) Employment of a person to coordinate the utility's programs of water conservation;

- (12) Prohibitions against wasting water and measures for the enforcement of those prohibitions;

- (13) A program to encourage residential customers to replace existing toilets with ultra-low-flush toilets; and

- (14) Incentives for the reclamation of water and the use of reclaimed water;

- (b) An estimate of the savings in water consumption or the reduction in the demand for water that is attributable to each program;

- (c) An estimate of the effect on the utility's peak demand for water and water consumption for each program;

- (d) A schedule of implementation for each proposed program;

- (e) A description of the methods, if any, that may be used to evaluate the effectiveness of each program; and

(f) An estimate of the cost of each program. The estimate must be supported by a statement that sets forth in detail the methods used to determine the estimate, including, without limitation, the data and assumptions used to determine the estimate.

2. In developing its conservation plan, a utility must consider the effect that new technologies, including, without limitation, advances in digital and computer information system technologies, may have on current and future conservation programs.

3. The conservation plan must:

(a) Identify each program for which the utility requests the approval of the Commission; and

(b) Include a report of the status of each program of water conservation that has been approved by the Commission. The report must provide a table for each program that indicates for each year of the program, the planned and actual reduction in water usage and the costs of the program.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5671 Conservation plan: Analysis for potential water shortages. ([NRS 703.025](#), [704.210](#), [704.661](#)) The conservation plan of a utility must include an analysis for potential water shortages. The analysis must include, without limitation:

1. An outline of the specific water supply conditions that may apply at a 25 percent shortage in the water supply and a 50 percent shortage in the water supply, and a description of the actions that the utility proposes to take in response to a water shortage at each level.

2. An estimate of the minimum water supply that will be available to the utility during each of the 3 water years immediately following the year in which the resource plan is submitted. The estimate must be based on the driest 3 consecutive water years that have been recorded for the utility's water supply.

3. A description of the actions that the utility proposes to prepare for and implement during a catastrophic interruption of water supplies, including, without limitation, a regional power outage, an earthquake or any other natural or human-caused disaster.

4. An analysis of the effect that each action and condition set forth in subsections 1, 2 and 3 is likely to have on the revenue and expenditures of the utility. The analysis must set forth the actions, including, without limitation, the development of reserves and the use of rate adjustments, that the utility proposes to take to mitigate those effects.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5672 Conservation plan: Information about reclaimed water. ([NRS 703.025](#), [704.210](#), [704.661](#)) The conservation plan of a utility must provide, to the extent practicable, information about reclaimed water and its potential for use as a water source in the service area of the utility. The utility must coordinate with local water, wastewater, groundwater and planning agencies that operate within the utility's service area to acquire the information. The information must include, without limitation:

1. A description of the systems of wastewater treatment in the utility's service area, including, without limitation:

(a) The quantities of sewage collected and wastewater treated by the utility; and

(b) The utility's methods for the disposal of effluent and the reclamation of water.

2. A description of the quantity of treated wastewater that:

(a) Is discharged by the utility;

(b) Complies with the standards of water quality for reclaimed water established by the State Environmental Commission pursuant to [chapter 445A](#) of NRS; and

(c) Is otherwise available for use in a project of water reclamation.

3. A description of the reclaimed water that is used in the utility's service area, including, without limitation, the location, quantity and type of each use.

4. A description of the potential uses for reclaimed water in the utility's service area, including, without limitation:

(a) Agricultural irrigation;

(b) Irrigation of large landscapes, including, without limitation, golf courses, parks and school grounds;

(c) The enhancement of wildlife habitat;

(d) The creation, restoration or preservation of wetlands;

(e) Industrial uses; and

(f) The recharging of groundwater.

↳ The utility shall, for each potential use of reclaimed water it identifies, estimate the amount of reclaimed water that could be used and make a determination of the technical and economic feasibility of serving that use.

5. A plan to maximize the use of reclaimed water in the utility's service area. The plan must include, without limitation, any action by the utility to:

(a) Facilitate the installation of systems for the distribution of water that have dedicated lines for the distribution of potable water and reclaimed water;

(b) Promote the recirculation of water;

(c) Facilitate the increased use of treated wastewater that complies with the standards of water quality for reclaimed water established by the State Environmental Commission pursuant to [chapter 445A](#) of NRS; and

(d) Identify the impediments to achieving the increased use of treated wastewater and to remove those impediments.

6. A projection of the use of reclaimed water within the utility's service area at the end of the 3rd, 10th, 15th and 20th years of the resource plan.

7. If a utility has previously submitted a projection of uses for reclaimed water within its service area, a comparison of the actual uses of reclaimed water with the previous projection of uses for reclaimed water.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5673 Water supply and wastewater treatment plan: Options for meeting demand for water and wastewater treatment. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The water supply and wastewater treatment plan of a utility must:

(a) Identify and analyze the utility's options for meeting the demand for water and wastewater treatment established in the forecasts prepared by the utility pursuant to [NAC 704.5667](#); and

(b) Describe, for each option, the utility's facilities and any new facilities that may be required. The description must set forth the actual or proposed capacity of each facility and the actual or proposed resources available for each year of the water supply and wastewater treatment plan.

2. The options must include, without limitation:

(a) The construction of new facilities;

(b) Improvements to existing facilities, including, without limitation, the retrofitting of the facilities with more efficient systems or the conversion of the facilities for use with other water sources or forms of wastewater treatment;

(c) The purchase of water rights;

(d) Improvements in the efficiency of the utility's operations, including, without limitation, improvements that are attributable to the proposed implementation of new digital and computer information system technologies; and

(e) Transactions with other utilities that furnish water or provide services for the disposal of sewage and with other water suppliers for:

- (1) The pooling of water supplies;
- (2) The purchase of water supplies; or
- (3) The exchange of water supplies.

3. The analysis must consider for each option measures to reduce the risk of interruption in the water supply, including, without limitation:

- (a) Increasing flexibility in the utility's sources of water supply;
- (b) Increasing diversity in the utility's sources of water supply;
- (c) Reducing the utility's commitments for supplying water;
- (d) Selecting projects relating to water supply that can be completed within 3 years immediately following the year in which the resource plan is submitted to the Commission;
- (e) Reducing the utility's costs of supplying water; and
- (f) Increasing the reliability of the water supply.

4. A utility may not include an option in its water supply and wastewater treatment plan unless the option, if selected by the utility and approved by the Commission, will:

- (a) Provide for a reliable water supply;
- (b) Be within applicable regulatory and financial constraints; and
- (c) Comply with all applicable federal, state or local laws and regulations for the protection of the environment.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5674 Water supply and wastewater treatment plan: Preferred plan. ([NRS 703.025](#), [704.210](#), [704.661](#)) The water supply and wastewater treatment plan of a utility must include a preferred plan that sets forth the utility's selection of its preferred options for meeting the demand for water and requirements for wastewater treatment for the term of the resource plan. The preferred plan must include an explanation of the criteria that the utility used to select its preferred options. The explanation must include sufficient detail to enable the Commission to determine whether the utility's selection is justified.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5675 Water supply and wastewater treatment plan: Description of system and separate components; map of facilities; description of deficiencies. ([NRS 703.025](#), [704.210](#), [704.661](#)) The water supply and wastewater treatment plan of a utility must include, without limitation:

1. A description of the utility's system and the separate components of the system. The description of each component must set forth, if applicable, the location, capacity, type and age of the component and include references to any applicable documentation or other information relating to the description of the component. The components that must be described include, without limitation:

- (a) Sources of water supply, including, if the source is a well, its depth, casing depth, water zone, design capacity and capacity of the well;
- (b) Water rights, including the volume of water established for each water right and its status;
- (c) Water distribution and transmission lines;
- (d) Lines for the collection of wastewater;
- (e) Facilities for water storage;
- (f) Emergency standby facilities, including, without limitation, power supplies for the production, treatment, storage and maintenance of water pressure;
- (g) Pressure-reducing valve stations;
- (h) Booster stations;
- (i) Lift stations;
- (j) Force mains;

- (k) Facilities for wastewater treatment;
- (l) Sites for the disposal of effluent;
- (m) Sites for the reclamation of water;
- (n) The utility's systems for supervisory control and data acquisition;
- (o) Hydraulic profile;
- (p) Operating and elevation levels;
- (q) Operation and performance of the system; and
- (r) Programs for the protection of the water supply;

2. A map that identifies the location, capacity, elevation and any other applicable data for each existing and proposed facility, including, without limitation, a facility described in subsection 1; and

3. A description of each existing or projected deficiency in the system of the utility.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5676 Funding plan: Requirement for certain items identified in conservation plan or water supply and wastewater treatment plan. ([NRS 703.025](#), [704.210](#), [704.661](#)) The resource plan of a utility must include a funding plan for each item identified in the utility's conservation plan or water supply and wastewater treatment plan for which the utility proposes to initiate expenditures during the term of the action plan. The funding plan must include the means the utility proposes to use to minimize the effect of the expenditures on the:

- 1. Rates charged by the utility to its customers; and
- 2. Financial risk to the utility.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5677 Funding plan: Information concerning costs utility will incur during term of action plan. ([NRS 703.025](#), [704.210](#), [704.661](#)) The funding plan of a utility must set forth information concerning the costs that the utility will incur during the term of the action plan, including, without limitation:

1. The estimated costs of any construction identified in the action plan, including, without limitation:

- (a) Annual flows of expenditures with allowance for money expended during construction; and
 - (b) Annual flows of expenditures without allowance for money expended during construction; and
2. The projected rates of escalation in costs, including, without limitation:

- (a) Capital costs; and
- (b) Fixed operating costs.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5678 Funding plan: Options for defraying expenditures. ([NRS 703.025](#), [704.210](#), [704.661](#)) The funding plan of a utility must include options for defraying the expenditures identified in the plan. Each option must include a combination of:

- 1. Revenue from customer surcharges;
- 2. Revenue from customer hook-up fees;
- 3. Capital investment by the utility;
- 4. Debt financing by the utility; and
- 5. Other prudent and reasonable means of defraying the expenditures.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5679 Funding plan: Estimates of financial information; assumptions. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The funding plan of a utility must include estimates of the following financial information for the term of the action plan:

- (a) The present worth of revenue requirements;
- (b) Revenue requirements by year;
- (c) The total rate base by year; and
- (d) Financial results attributable to the utility's strategy of risk management.

2. The funding plan must include for each year of the action plan, the assumptions used by the utility relating to:

- (a) The general rate of inflation;
- (b) The rates for the cost of capital;
- (c) The discount rates used to determine present worth;
- (d) The applicable tax rates; and
- (e) Any other assumptions used by the utility to develop the funding plan.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.568 Action plan: General requirements. ([NRS 703.025](#), [704.210](#), [704.661](#)) The action plan of a utility must include, without limitation:

1. An introductory section that explains how the action plan relates to the long-term plans of the utility as set forth in its resource plan;

2. A section that identifies each action for which the utility requests the approval of the Commission;

3. A section that identifies each part of the utility's conservation plan that the utility proposes to carry out during the term of the action plan; and

4. A section that identifies each part of the utility's water supply and wastewater treatment plan that the utility proposes to carry out during the term of the action plan and includes, without limitation:

(a) For each facility for which construction will be performed during that term:

(1) The utility's plans for construction; and

(2) The utility's proposed schedule for construction, including, without limitation, the proposed dates for:

(I) The preparation of any environmental impact statements, if required;

(II) The application for and receipt of each significant permit;

(III) Entering into a commitment for each substantial expenditure; and

(IV) Placing the facility in commercial operation.

(b) For each facility that will be acquired during that term, the proposed date for placing the facility in commercial operation.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5681 Action plan: Budget of planned expenditures. ([NRS 703.025](#), [704.210](#), [704.661](#)) The action plan of a utility must include a budget of its planned expenditures. The budget must be prepared in a format that is:

1. Suitable for comparing its planned expenditures with its actual expenditures; and

2. Consistent with the format that the utility intends to use in other submissions to the Commission, if any.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5682 Action plan: Action by Commission. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The Commission will:

(a) Issue an order approving the action plan of a utility as filed; or

(b) Specify those parts of the action plan that the Commission considers inadequate.

2. If the Commission approves the action plan of the utility, the Commission will include in the approval of the action plan its determination that the elements contained in the action plan are prudent. The Commission will make a determination that the elements of the action plan are prudent if:

(a) The action plan maximizes the utility's water supply and wastewater treatment capacities for the benefit of the utility's customers; and

(b) The utility demonstrates that the action plan balances the objectives of minimizing cost, mitigating risk and maximizing reliability of service for the term of the action plan.

3. If the Commission subsequently determines that any information relied upon when issuing its order approving the action plan was based upon information that was known or should have been known by the utility to be false when the information was presented, the Commission may revoke, rescind or otherwise modify its approval of the action plan.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5683 Action plan: Deviation from plan by utility. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. Notwithstanding the approval by the Commission of the action plan of a utility, the utility may deviate from the approved action plan to the extent necessary to respond to any significant change in circumstances that was not contemplated by the action plan. A significant change in circumstances includes, without limitation:

(a) A substantial change in the market price of water;

(b) An extended forced outage of a major facility of the utility;

(c) A substantial change in customer demand; or

(d) Any other circumstance that the utility demonstrates to the Commission requires a deviation.

2. If a utility deviates from its approved action plan:

(a) The Commission will determine the prudence of the deviation from the action plan in an appropriate proceeding.

(b) If the deviation from the action plan is of a continuing nature, the utility shall request authority from the Commission to deviate prospectively from the action plan by filing an amendment to the action plan.

(Added to NAC by Pub. Utilities Comm'n by R043-08, eff. 9-18-2008)

NAC 704.5684 Action plan: Monitoring; conditions requiring amendment. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. A utility shall continually monitor its action plan and amend the action plan before it submits its next resource plan to the Commission if:

(a) The utility intends to submit an application for a permit to construct a utility facility pursuant to [NRS 704.820](#) to [704.890](#), inclusive, which was not approved as part of the action plan;

(b) The utility makes a commitment for the acquisition or construction of a facility that was not approved as part of the action plan;

(c) The utility makes a commitment for a long-term purchased water obligation which was not approved as part of the action plan;

(d) The utility is unable to place a resource in service or obtain a resource in accordance with the schedule for the resource that is included in the action plan which results in a significant deviation from the action plan;

(e) The utility makes a commitment for a resource that was not available when the action plan was approved; or

(f) The basic data used in the development of the resource plan requires substantial modification that affects the choice of a resource which was approved as part of the action plan.

2. The conditions under which an amendment to an action plan is requested must be specifically set forth in the application for the amendment.

3. As used in this section, “resource” includes, without limitation, a facility, source of water supply or water right.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.5685 Amendment to action plan: Provision of overview of proposed amendment to certain entities. ([NRS 703.025](#), [704.210](#), [704.661](#)) Before a utility files an amendment to its action plan, the utility must meet with the Bureau of Consumer Protection in the Office of the Attorney General and the Regulatory Operations Staff of the Commission to provide an overview of the proposed amendment to the action plan.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.5686 Amendment to action plan: Required provisions. ([NRS 703.025](#), [704.210](#), [704.661](#)) An amendment to an action plan must include, without limitation:

1. A section that identifies each action for which the utility requests approval by the Commission;
2. A section that specifies any changes in assumptions or data that have occurred since the utility’s last resource plan was filed with the Commission; and
3. If applicable, the information required in subsections 3 and 4 of [NAC 704.568](#).

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.5687 Amendment to action plan: Action by Commission. ([NRS 703.025](#), [704.210](#), [704.661](#))

1. The Commission will:
 - (a) Issue an order approving the amendment to the action plan as filed; or
 - (b) Specify those parts of the amendment that the Commission considers inadequate.
2. If the Commission approves the amendment, the Commission will include in the approval of the amendment its determination that the amendment is prudent. The Commission will make a determination that the amendment is prudent if:
 - (a) The amendment maximizes the utility’s water supply and wastewater treatment capacities for the benefit of the utility’s customers; and
 - (b) The utility demonstrates that the amendment balances the objectives of minimizing cost, mitigating risk and maximizing the reliability of water supply and wastewater treatment for the term of the action plan.
3. If the Commission subsequently determines that any information relied upon when issuing its order approving the amendment was based upon information that was known or should have been known by the utility to be false when the information was presented, the Commission may revoke, rescind or otherwise modify its approval of the amendment.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 704.5688 Accrual of expenses to develop resource plan in deferred account; recovery of expenses. ([NRS 703.025](#), [704.210](#), [704.661](#)) A utility may, pursuant to [NRS 704.661](#), accrue its expenses to develop a resource plan in a deferred account. The utility may request recovery of those expenses in a subsequent general rate application.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

GENERAL RATE CASE

NRS 704.100 to 704.110

NRS 704.100 Procedure for changing schedule: Approval of Commission required; filing application or letter of advice; quarterly rate adjustments for certain utilities; posting proposed, new and amended schedules; limitation on use of certain information to justify rate increase; power of Commission to dispense with hearing in certain matters; request for waiver.

1. Except as otherwise provided in [NRS 704.075](#) and [704.68861](#) to [704.68887](#), inclusive, or as may otherwise be provided by the Commission pursuant to [NRS 704.095](#) or [704.097](#):

(a) A public utility shall not make changes in any schedule, unless the public utility:

(1) Files with the Commission an application to make the proposed changes and the Commission approves the proposed changes pursuant to [NRS 704.110](#); or

(2) Files the proposed changes with the Commission using a letter of advice in accordance with the provisions of paragraph (f) or (g).

(b) 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.

(c) An electric utility shall, between annual deferred energy accounting adjustment applications filed pursuant to [NRS 704.187](#), adjust its rates on a quarterly basis pursuant to subsection 10 of [NRS 704.110](#).

(d) A public utility shall post copies of all proposed schedules and all new or amended schedules in the same offices and in substantially the same form, manner and places as required by [NRS 704.070](#) for the posting of copies of schedules that are currently in force.

(e) A public utility may not set forth as justification for a rate increase any items of expense or rate base that previously have been considered and disallowed by the Commission, unless those items are clearly identified in the application and new facts or considerations of policy for each item are advanced in the application to justify a reversal of the prior decision of the Commission.

(f) Except as otherwise provided in paragraph (g), if the proposed change in any schedule does not change any rate or will result in an increase in annual gross operating revenue, as certified by the public utility, in an amount that does not exceed \$2,500:

(1) The public utility may file the proposed change with the Commission using a letter of advice in lieu of filing an application; and

(2) The Commission shall determine whether it should dispense with a hearing regarding the proposed change.

(g) If the applicant is a small-scale provider of last resort and the proposed change in any schedule will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that does not exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less:

(1) The applicant may file the proposed change with the Commission using a letter of advice in lieu of filing an application if the applicant:

(I) Demonstrates that the proposed change in schedule is required by or directly related to a regulation or order of the Federal Communications Commission; and

(II) Except as otherwise provided in subsection 2, files the letter of advice not later than 5 years after the Commission has issued a final order on a general rate application filed by the applicant in accordance with subsection 3 of [NRS 704.110](#); and

(2) The Commission shall determine whether it should dispense with a hearing regarding the proposed change.

↳ Not later than 10 business days after the filing of a letter of advice pursuant to subparagraph (1), the Regulatory Operations Staff of the Commission or any other interested party may file with the Commission a request that the Commission order an applicant to file a general rate application in accordance with subsection 3 of [NRS 704.110](#). The Commission may hold a hearing to consider such a request.

(h) In making the determination pursuant to paragraph (f) or (g), the Commission shall first consider all timely written protests, any presentation that the Regulatory Operations Staff of the Commission may desire to present, the application of the public utility and any other matters deemed relevant by the Commission.

2. An applicant that is a small-scale provider of last resort may submit to the Commission a written request for a waiver of the 5-year period specified in sub-subparagraph (II) of subparagraph (1) of paragraph (g) of subsection 1. The Commission shall, not later than 90 days after receipt of such a request, issue an order approving or denying the request. The Commission may approve the request if the applicant provides proof satisfactory to the Commission that the applicant is not earning more than the rate of return authorized by the Commission and that it is in the public interest for the Commission to grant the request for a waiver. The Commission shall not approve a request for a waiver if the request is submitted later than 7 years after the issuance by the Commission of a final order on a general rate application filed by the applicant in accordance with subsection 3 of [NRS 704.110](#). If the Commission approves a request for a waiver submitted pursuant to this subsection, the applicant shall file the letter of advice pursuant to subparagraph (1) of paragraph (g) of subsection 1 not earlier than 120 days after the date on which the applicant submitted the request for a waiver pursuant to this subsection, unless the order issued by the Commission approving the request for a waiver specifies a different period for the filing of the letter of advice.

3. As used in this section, “electric utility” has the meaning ascribed to it in [NRS 704.187](#).

[14:109:1919; A 1933, 228; 1931 NCL § 6113]—(NRS A 1971, 1117; 1975, 1450; [1979, 1718](#); [1985, 636, 1126](#); [1987, 653, 1694](#); [1989, 1834](#); [2001, 3246](#); [2003, 3038](#); [2005, 1919](#); [2007, 696, 2978](#); [2011, 385](#); [2013, 197](#))

NRS 704.110 Procedure for changing schedule: Investigation by Commission; parties; time within which Commission must act; general rate application; other applications and rate adjustments; deferred energy accounting adjustments; recovery of costs to plan, construct, retire or eliminate certain facilities. Except as otherwise provided in [NRS 704.075](#) and [704.68861](#) to [704.68887](#), inclusive, or as may otherwise be provided by the Commission pursuant to [NRS 704.095](#) or [704.097](#):

1. If a public utility files with the Commission an application to make changes in any schedule, including, without limitation, changes that will result in a discontinuance, modification or restriction of service, the Commission shall investigate the propriety of the proposed changes to determine whether to approve or disapprove the proposed changes. If an electric utility files such an application and the application is a general rate application or an annual deferred energy accounting adjustment application, the Consumer’s Advocate shall be deemed a party of record.

2. Except as otherwise provided in subsection 3, if a public utility files with the Commission an application to make changes in any schedule, the Commission shall, not later than 210 days after the date on which the application is filed, issue a written order approving or disapproving, in whole or in part, the proposed changes.

3. If a public utility files with the Commission a general rate application, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the

application was prepared. Except as otherwise provided in subsection 4, in determining whether to approve or disapprove any increased rates, the Commission shall consider evidence in support of the increased rates based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the Commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but the public utility shall not place into effect any increased rates until the changes have been experienced and certified by the public utility to the Commission and the Commission has approved the increased rates. The Commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility's plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the date on which the certification required by this subsection is filed with the Commission, or within the period set forth in subsection 2, whichever time is longer, the Commission shall make such order in reference to the increased rates as is required by this chapter. The following public utilities shall each file a general rate application pursuant to this subsection based on the following schedule:

(a) An electric utility that primarily serves less densely populated counties shall file a general rate application not later than 5 p.m. on or before the first Monday in June 2010, and at least once every 36 months thereafter.

(b) An electric utility that primarily serves densely populated counties shall file a general rate application not later than 5 p.m. on or before the first Monday in June 2011, and at least once every 36 months thereafter.

(c) A public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, which had an annual gross operating revenue of \$2,000,000 or more for at least 1 year during the immediately preceding 3 years and which had not filed a general rate application with the Commission on or after July 1, 2005, shall file a general rate application on or before June 30, 2008, and at least once every 36 months thereafter unless waived by the Commission pursuant to standards adopted by regulation of the Commission. If a public utility furnishes both water and services for the disposal of sewage, its annual gross operating revenue for each service must be considered separately for determining whether the public utility meets the requirements of this paragraph for either service.

(d) A public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, which had an annual gross operating revenue of \$2,000,000 or more for at least 1 year during the immediately preceding 3 years and which had filed a general rate application with the Commission on or after July 1, 2005, shall file a general rate application on or before June 30, 2009, and at least once every 36 months thereafter unless waived by the Commission pursuant to standards adopted by regulation of the Commission. If a public utility furnishes both water and services for the disposal of sewage, its annual gross operating revenue for each service must be considered separately for determining whether the public utility meets the requirements of this paragraph for either service.

↪ The Commission shall adopt regulations setting forth standards for waivers pursuant to paragraphs (c) and (d) and for including the costs incurred by the public utility in preparing and presenting the general rate application before the effective date of any change in rates.

4. In addition to submitting the statement required pursuant to subsection 3, a public utility may submit with its general rate application a statement showing the effects, on an annualized basis, of all expected changes 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 on which its general

rate application is filed with the Commission if such expected changes in circumstances are reasonably known and are measurable with reasonable accuracy. If a public utility submits such a statement, the public utility has the burden of proving that the expected changes in circumstances set forth in the statement are reasonably known and are measurable with reasonable accuracy. The Commission shall consider expected changes in circumstances to be reasonably known and measurable with reasonable accuracy if the expected changes in circumstances consist of specific and identifiable events or programs rather than general trends, patterns or developments, have an objectively high probability of occurring to the degree, in the amount and at the time expected, are primarily measurable by recorded or verifiable revenues and expenses and are easily and objectively calculated, with the calculation of the expected changes relying only secondarily on estimates, forecasts, projections or budgets. If the Commission determines that the public utility has met its burden of proof:

(a) The Commission shall consider the statement submitted pursuant to this subsection and evidence relevant to the statement, including all reasonable projected or forecasted offsets in revenue and expenses that are directly attributable to or associated with the expected changes in circumstances under consideration, in addition to the statement required pursuant to subsection 3 as evidence in establishing just and reasonable rates for the public utility; and

(b) The public utility is not required to file with the Commission the certification that would otherwise be required pursuant to subsection 3.

5. If a public utility files with the Commission an application to make changes in any schedule and the Commission does not issue a final written order regarding the proposed changes within the time required by this section, the proposed changes shall be deemed to be approved by the Commission.

6. If a public utility files with the Commission a general rate application, the public utility shall not file with the Commission another general rate application until all pending general rate applications filed by that public utility have been decided by the Commission unless, after application and hearing, the Commission determines that a substantial financial emergency would exist if the public utility is not permitted to file another general rate application sooner. The provisions of this subsection do not prohibit the public utility from filing with the Commission, while a general rate application is pending, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale pursuant to subsection 7, a quarterly rate adjustment pursuant to subsection 8 or 10, any information relating to deferred accounting requirements pursuant to [NRS 704.185](#) or an annual deferred energy accounting adjustment application pursuant to [NRS 704.187](#), if the public utility is otherwise authorized to so file by those provisions.

7. A public utility may file an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale once every 30 days. The provisions of this subsection do not apply to:

(a) An electric utility which is required to adjust its rates on a quarterly basis pursuant to subsection 10; or

(b) A public utility which purchases natural gas for resale and which adjusts its rates on a quarterly basis pursuant to subsection 8.

8. A public utility which purchases natural gas for resale must request approval from the Commission to adjust its rates on a quarterly basis between annual rate adjustment applications based on changes in the public utility's recorded costs of natural gas purchased for resale. A public utility which purchases natural gas for resale and which adjusts its rates on a quarterly basis may request approval from the Commission to make quarterly adjustments to its deferred energy accounting adjustment. The Commission shall approve or deny such a request not later than 120 days after the application is filed with the Commission. The Commission may approve the request if the Commission finds that approval of the request is in the public interest. If the Commission approves a request to make quarterly adjustments to the deferred energy accounting adjustment of a public utility pursuant to this

subsection, any quarterly adjustment to the deferred energy accounting adjustment must not exceed 2.5 cents per therm of natural gas. If the balance of the public utility's deferred account varies by less than 5 percent from the public utility's annual recorded costs of natural gas which are used to calculate quarterly rate adjustments, the deferred energy accounting adjustment must be set to zero cents per therm of natural gas.

9. If the Commission approves a request to make any rate adjustments on a quarterly basis pursuant to subsection 8:

(a) The public utility shall file written notice with the Commission before the public utility makes a quarterly rate adjustment. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to [NRS 703.320](#) or the requirements for a consumer session pursuant to subsection 1 of [NRS 704.069](#).

(b) The public utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The public utility shall begin providing such written notice to its customers not later than 30 days after the date on which the public utility files its written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the public utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission;

(IV) A statement that the transactions and recorded costs of natural gas which are the basis for any quarterly rate adjustment will be reviewed for reasonableness and prudence in the next proceeding held by the Commission to review the annual rate adjustment application pursuant to paragraph (d); and

(V) Any other information required by the Commission.

(c) The public utility shall file an annual rate adjustment application with the Commission. The annual rate adjustment application is subject to the requirements for notice and a hearing pursuant to [NRS 703.320](#) and the requirements for a consumer session pursuant to subsection 1 of [NRS 704.069](#).

(d) The proceeding regarding the annual rate adjustment application must include a review of each quarterly rate adjustment and the transactions and recorded costs of natural gas included in each quarterly filing and the annual rate adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application, and the public utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the public utility to recover any recorded costs of natural gas which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the public utility, and the Commission shall order the public utility to adjust its rates if the Commission determines that any recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application were not reasonable or prudent.

10. An electric utility shall adjust its rates on a quarterly basis based on changes in the electric utility's recorded costs of purchased fuel or purchased power. In addition to adjusting its rates on a quarterly basis, an electric utility may request approval from the Commission to make quarterly

adjustments to its deferred energy accounting adjustment. The Commission shall approve or deny such a request not later than 120 days after the application is filed with the Commission. The Commission may approve the request if the Commission finds that approval of the request is in the public interest. If the Commission approves a request to make quarterly adjustments to the deferred energy accounting adjustment of an electric utility pursuant to this subsection, any quarterly adjustment to the deferred energy accounting adjustment must not exceed 0.25 cents per kilowatt-hour of electricity. If the balance of the electric utility's deferred account varies by less than 5 percent from the electric utility's annual recorded costs for purchased fuel or purchased power which are used to calculate quarterly rate adjustments, the deferred energy accounting adjustment must be set to zero cents per kilowatt-hour of electricity.

11. A quarterly rate adjustment filed pursuant to subsection 10 is subject to the following requirements:

(a) The electric utility shall file written notice with the Commission on or before August 15, 2007, and every quarter thereafter of the quarterly rate adjustment to be made by the electric utility for the following quarter. The first quarterly rate adjustment by the electric utility will take effect on October 1, 2007, and each subsequent quarterly rate adjustment will take effect every quarter thereafter. The first quarterly adjustment to a deferred energy accounting adjustment must be made pursuant to an order issued by the Commission approving the application of an electric utility to make quarterly adjustments to its deferred energy accounting adjustment. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to [NRS 703.320](#) or the requirements for a consumer session pursuant to subsection 1 of [NRS 704.069](#).

(b) The electric utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The electric utility shall begin providing such written notice to its customers not later than 30 days after the date on which the electric utility files a written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the electric utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission;

(IV) A statement that the transactions and recorded costs of purchased fuel or purchased power which are the basis for any quarterly rate adjustment will be reviewed for reasonableness and prudence in the next proceeding held by the Commission to review the annual deferred energy accounting adjustment application pursuant to paragraph (d); and

(V) Any other information required by the Commission.

(c) The electric utility shall file an annual deferred energy accounting adjustment application pursuant to [NRS 704.187](#) with the Commission. The annual deferred energy accounting adjustment application is subject to the requirements for notice and a hearing pursuant to [NRS 703.320](#) and the requirements for a consumer session pursuant to subsection 1 of [NRS 704.069](#).

(d) The proceeding regarding the annual deferred energy accounting adjustment application must include a review of each quarterly rate adjustment and the transactions and recorded costs of purchased fuel and purchased power included in each quarterly filing and the annual deferred energy accounting adjustment application. There is no presumption of reasonableness or prudence for any

quarterly rate adjustment or for any transactions or recorded costs of purchased fuel and purchased power included in any quarterly rate adjustment or the annual deferred energy accounting adjustment application, and the electric utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the electric utility to recover any recorded costs of purchased fuel and purchased power which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the electric utility, and the Commission shall order the electric utility to adjust its rates if the Commission determines that any recorded costs of purchased fuel and purchased power included in any quarterly rate adjustment or the annual deferred energy accounting adjustment application were not reasonable or prudent.

12. If an electric utility files an annual deferred energy accounting adjustment application pursuant to subsection 11 and [NRS 704.187](#) while a general rate application is pending, the electric utility shall:

(a) Submit with its annual deferred energy accounting adjustment application information relating to the cost of service and rate design; and

(b) Supplement its general rate application with the same information, if such information was not submitted with the general rate application.

13. A utility facility identified in a 3-year plan submitted pursuant to [NRS 704.741](#) and accepted by the Commission for acquisition or construction pursuant to [NRS 704.751](#) and the regulations adopted pursuant thereto, or the retirement or elimination of a utility facility identified in an emissions reduction and capacity replacement plan submitted pursuant to [NRS 704.7316](#) and accepted by the Commission for retirement or elimination pursuant to [NRS 704.751](#) and the regulations adopted pursuant thereto, shall be deemed to be a prudent investment. The utility may recover all just and reasonable costs of planning and constructing, or retiring or eliminating, as applicable, such a facility.

14. In regard to any rate or schedule approved or disapproved pursuant to this section, the Commission may, after a hearing:

(a) Upon the request of the utility, approve a new rate but delay the implementation of that new rate:

(1) Until a date determined by the Commission; and

(2) Under conditions as determined by the Commission, including, without limitation, a requirement that interest charges be included in the collection of the new rate; and

(b) Authorize a utility to implement a reduced rate for low-income residential customers.

15. The Commission may, upon request and for good cause shown, permit a public utility which purchases natural gas for resale or an electric utility to make a quarterly adjustment to its deferred energy accounting adjustment in excess of the maximum allowable adjustment pursuant to subsection 8 or 10.

16. A public utility which purchases natural gas for resale or an electric utility that makes quarterly adjustments to its deferred energy accounting adjustment pursuant to subsection 8 or 10 may submit to the Commission for approval an application to discontinue making quarterly adjustments to its deferred energy accounting adjustment and to subsequently make annual adjustments to its deferred energy accounting adjustment. The Commission may approve an application submitted pursuant to this subsection if the Commission finds that approval of the application is in the public interest.

17. As used in this section:

(a) "Deferred energy accounting adjustment" means the rate of a public utility which purchases natural gas for resale or an electric utility that is calculated by dividing the balance of a deferred account during a specified period by the total therms or kilowatt-hours which have been sold in the geographical area to which the rate applies during the specified period.

(b) "Electric utility" has the meaning ascribed to it in [NRS 704.187](#).

(c) “Electric utility that primarily serves densely populated counties” means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 700,000 or more than it does from customers located in counties whose population is less than 700,000.

(d) “Electric utility that primarily serves less densely populated counties” means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is less than 700,000 than it does from customers located in counties whose population is 700,000 or more.

[Part 14:109:1919; A 1933, 228; 1931 NCL § 6113]—(NRS A 1969, 998; 1975, 1451, 1559; [1977, 482](#); [1979, 1106](#), [1719](#); [1983, 240](#); [1985, 636](#), [1127](#); [1989, 1012](#), [1835](#); [1991, 776](#); [1997, 1908](#); [1999, 3261](#); [2001, 347](#), [3247](#); [2003, 3039](#); [2005, 1277](#), [1920](#); [2007, 490](#), [545](#), [552](#), [697](#), [2979](#); [2009, 610](#), [1394](#), [2471](#); [2011, 386](#), [1302](#); [2013, 3077](#))

GENERAL RATE CASE

NAC 703.2201 to 703.2481

Changes in Rates of Public Utilities Other Than Telecommunication Providers

NAC 703.2201 Definitions. ([NRS 703.025](#), [704.210](#)) As used in [NAC 703.2201](#) to [703.2481](#), inclusive, unless the context otherwise requires:

1. “Uniform system of accounts” means uniform system of accounts prescribed for public utilities and licensees, classes A, B, C and D, which were published by the Federal Energy Regulatory Commission and adopted by reference in [NAC 704.650](#).

2. “Unit” means the quantitative measurement of an item, or level of use, consumption or effort.

3. “Unit rate” is that rate which when multiplied by the number of units within a given period results in the aggregate dollar amount applicable to that period.

[Pub. Service Comm’n, Gen. Order 3 Rule 16 § 2, eff. 10-14-82]—(NAC A 1-5-89; 7-7-94; A by Pub. Utilities Comm’n by R049-06, 11-13-2006; R043-08, 9-18-2008)

NAC 703.2205 Applicability. ([NRS 703.025](#), [704.210](#)) The provisions of [NAC 703.2201](#) to [703.2481](#), inclusive, apply to all public utilities:

1. Which produce, deliver or furnish electricity or gas; and

2. Which furnish water or services for the disposal of sewage, or both, and are not subject to the provisions of [NAC 704.570](#) to [704.628](#), inclusive, under the jurisdiction of the Commission.

[Pub. Service Comm’n, Gen. Order 3 Rule 16 § 1, eff. 10-14-82]—(NAC A 1-6-84; 10-26-84; 1-5-89; A by Pub. Utilities Comm’n by R047-02, 10-24-2002; R043-08, 9-18-2008; R103-07, 10-27-2009; R036-10, 12-16-2010)

NAC 703.2206 Certain public utilities furnishing water for municipal, industrial or domestic purposes or services for disposal of sewage: Waiver of requirement to file general rate application. ([NRS 703.025](#), [704.110](#), [704.210](#)) The Commission may, upon the request of a public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, and would otherwise be required to file a general rate application pursuant to paragraph (c) or (d) of subsection 3 of [NRS 704.110](#), waive that requirement if the public utility demonstrates that the cost of preparing and presenting the general rate application would exceed the increase, if any, in the amount of revenue that would be obtained if the general rate application were approved by the Commission. The public utility must file a petition requesting a waiver not later than 270 days before the date on which the public utility’s general rate application must otherwise be filed.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 703.22065 Certain public utilities furnishing water for municipal, industrial or domestic purposes or services for disposal of sewage: Inclusion in general rate application of actual expenses to prepare and present application. ([NRS 703.025](#), [704.110](#), [704.210](#))

1. A public utility that furnishes water for municipal, industrial or domestic purposes or services for the disposal of sewage, or both, and files a general rate application pursuant to paragraph (c) or (d) of subsection 3 of [NRS 704.110](#):

(a) May include in the general rate application the actual expenses to prepare and present the application that are incurred by the public utility during the 6 months immediately following the test period; and

(b) Must defer to a subsequent general rate application the actual expenses to prepare and present a general rate application that are incurred by the public utility more than 6 months after the test period.

2. As used in this section, “test period” means the 12 months shown in the general rate application for which the recorded results of the utility’s revenues, expenses, investments and costs of capital were available when the application was prepared.

(Added to NAC by Pub. Utilities Comm’n by R043-08, eff. 9-18-2008)

NAC 703.2207 Public utilities furnishing electricity, gas, or water or services for disposal of sewage: Notice of intent to file application for adjustments in rates. ([NRS 703.025](#), [704.210](#))

1. A public utility that furnishes electricity, gas, or water or services for the disposal of sewage, or both, must provide written notice of its intent to file an application for adjustments in rates to:

- (a) The Assistant Secretary of the Commission;
- (b) The Regulatory Operations Staff; and
- (c) The Consumer’s Advocate.

2. The written notice must be filed at least 60 days before the anticipated date for filing the application for adjustments in rates. If the public utility files the written notice, it is not required to file the application for adjustments in rates on the anticipated filing date or any time thereafter.

3. The written notice must contain a list of the components on which the public utility expects to base its application for adjustments in rates, including:

- (a) Cost of capital;
- (b) Depreciation;
- (c) Cost of service, including any study of the cost of service;
- (d) Design of the proposed rates; and
- (e) Any other material issues known at the time the notice is filed.

(Added to NAC by Pub. Service Comm’n, eff. 7-7-94; A by Pub. Utilities Comm’n by R043-08, 9-18-2008; R036-10, 12-16-2010)

NAC 703.22073 Public utilities furnishing water or service for disposal of sewage: Meeting with Regulatory Operations Staff before filing notice of intent to file application for adjustments in rates. ([NRS 703.025](#), [704.210](#))

1. Except as otherwise provided in [NAC 703.400](#), a public utility that furnishes water or services for the disposal of sewage, or both, and which intends to file an application for adjustments in rates must meet with the Regulatory Operations Staff before filing a written notice of its intent to file an application for adjustments in rates pursuant to [NAC 703.2207](#).

2. At the meeting, the Regulatory Operations Staff shall inform the public utility which of the statements and schedules prescribed under [NAC 703.2265](#) to [703.2452](#), inclusive, need not accompany the application when it is filed with the Commission.

(Added to NAC by Pub. Utilities Comm’n by R036-10, eff. 12-16-2010)

NAC 703.22075 Public utilities furnishing water or services for disposal of sewage: Use of certain factors in application; requests for certain rate increases and surcharges. ([NRS 703.025](#), [704.210](#)) A public utility that furnishes water or services for the disposal of sewage, or both, may:

1. Use the 1/8 formula method, as that term is defined in [NAC 704.583](#), to calculate an allowance for cash working capital, as that term is defined in that section, in an application for adjustments in rates.

2. Use the range of reasonable returns on equity filed by the Regulatory Operations Staff pursuant to subsection 1 of [NAC 704.582](#) in an application for adjustments in rates.

3. Submit an application requesting increases in its scheduled rates to offset increased costs of fuel or power used for pumping in its water or sewer operations, or both, as provided in [NAC 704.595](#).

4. Request a rate surcharge to finance large additions or improvements to a plant, as provided in [NAC 704.600](#).

(Added to NAC by Pub. Utilities Comm'n by R036-10, eff. 12-16-2010)

NAC 703.2208 Public utilities furnishing electricity, gas, or water or services for disposal of sewage: Submission of master document for request of data. ([NRS 703.025](#), [704.210](#))

1. A public utility that furnishes electricity, gas, or water or services for the disposal of sewage, or both, which files an application for adjustments in rates must submit a master document for the request of data, together with answers to the questions contained in the document, to:

- (a) The Consumer's Advocate; and
- (b) The Regulatory Operations Staff.

2. The public utility shall:

(a) Submit the master document for the request of data, together with the answers, on the same date as it files the application for adjustments in rates.

(b) Complete as much of the answers to the questions in the master document as possible given the available applicable data and any agreements for the confidentiality of information which have been executed.

3. Except as otherwise provided in this subsection, the master document for the request of data must be submitted in the illustrative format required by the Commission. The illustrative format for a particular master document for the request of data may be changed if the Consumer's Advocate, the Regulatory Operations Staff and the public utility agree to the change. The illustrative format for the master document for the request of data may be obtained at the offices of the Commission.

4. The following entities may request the Commission to change the illustrative format for the master document for the request of data:

- (a) The Consumer's Advocate;
- (b) The Regulatory Operations Staff; or
- (c) The public utility.

5. Any changes which the Commission makes to the illustrative format for the master document for the request of data do not apply to a master document for the request of data submitted by a public utility within 90 days after the Commission approves the changes.

(Added to NAC by Pub. Service Comm'n, eff. 7-7-94; A by Pub. Utilities Comm'n by R036-10, 12-16-2010)

NAC 703.2209 Public utilities furnishing electricity, gas, or water or services for disposal of sewage: Meeting with Consumer's Advocate and Regulatory Operations Staff before filing application. ([NRS 703.025](#), [704.210](#))

1. A public utility that furnishes electricity, gas, or water or services for the disposal of sewage, or both, which intends to file an application for adjustments in rates must meet with the Consumer's Advocate and the Regulatory Operations Staff at least 20 days before the anticipated date for filing the application for adjustments in rates.

2. At the meeting, the public utility shall provide updated information regarding the application for adjustments in rates, including:

- (a) Cost of capital;
- (b) Depreciation;
- (c) Cost of service, including any study of the cost of service;
- (d) Design of the proposed rate; and
- (e) Any other material issues known at the time of the meeting.

3. At the meeting, those persons in attendance shall:

(a) Develop guidelines for a preliminary plan for conducting audits. The guidelines must address all matters relating to the audit, including:

(1) The timing of the audits and any necessary meetings to coordinate audits conducted at the site, whether within or outside the State, by the Regulatory Operations Staff and specialized personnel from the public utility and the Bureau of Consumer Protection.

(2) The number of persons representing each interest who will participate in the audits.

(3) The facilities and the supplies that the auditors will need at the locations of the audits.

(b) Discuss a plan and schedule for discovery, and methods of minimizing the duplication of discovery requests.

(c) Discuss the use of agreements for the confidentiality of information.

(d) Discuss the review of computer models for data contained in the filing.

(e) Determine which items on the master document for the request of data must be provided on a computer disc or other computer media, and which items must be provided on paper.

(f) Discuss the need for and timing of future meetings, including:

(1) A conference between the public utility, the Regulatory Operations Staff and a representative of the Bureau of Consumer Protection to discuss the results of the audits.

(2) A mandatory settlement conference between all interests to the proceeding. The Regulatory Operations Staff shall convene the settlement conference at least 14 calendar days before the scheduled first day of the hearing on the application for adjustments in rates in accordance with a procedural schedule approved by the Commission.

(Added to NAC by Pub. Service Comm'n, eff. 7-7-94; A by Pub. Utilities Comm'n by R036-10, 12-16-2010)

NAC 703.2211 Information required in application. ([NRS 703.025](#), [704.210](#)) An application by a public utility for adjustments in rates or charges must include:

1. An exhibit in the format of a tariff showing in full the rates, fares or rules desired to be put into effect or the general relief requested.

2. An exhibit in the format of a tariff showing in full the rates, fares or rules which will be superseded by the proposed changes.

3. A complete and accurate explanation of the circumstances and conditions relied upon as justification for the application.

4. A statement indicating whether the utility has included adjustments to be certified pursuant to subsection 3 of [NRS 704.110](#), a statement of expected changes in circumstances in accordance with subsection 4 of [NRS 704.110](#), or both.

5. An exhibit referencing any prior proceeding before the Commission which has been held and which is related to any of the proposals contained in the application.

6. A brief description of the application which will be used by the Secretary in drafting the public notice required in [NAC 703.160](#). This description must include:

(a) The utility's reasons for the application or filing of a tariff;

(b) The estimated effect that approval of the application or tariff by the Commission will have on the applicant's annual revenues; and

(c) The estimated effect that approval of the application or tariff by the Commission will have on rates and charges paid by each class of the utility's customers.

7. A proposed notice of hearing which conforms to the requirements of paragraphs (b), (c) and (d) of subsection 2 of [NRS 233B.121](#).

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 3, eff. 10-14-82]—(NAC A 3-19-87; A by Pub. Utilities Comm'n by R107-07, 12-4-2007; R036-09, 11-25-2009)

NAC 703.2215 Information to be filed with application. ([NRS 703.025](#), [704.210](#)) Except as otherwise provided pursuant to a meeting held pursuant to [NAC 703.22073](#), the applicable statements and schedules prescribed under [NAC 703.2265](#) to [703.2452](#), inclusive, and an index of these statements and schedules must accompany the application when it is filed with the Commission. The index must indicate which statements and schedules are supported by workpapers prepared by the applicant.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 4, eff. 10-14-82]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R036-10, 12-16-2010)

NAC 703.2221 Additional information. ([NRS 703.025](#), [704.210](#)) The list contained in [NAC 703.2265](#) to [703.2452](#), inclusive, is not exclusive. Any additional information necessary to determine the fairness and reasonableness of the proposed change must be supplied upon request of the Commission in a particular case.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 4a, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R036-10, 12-16-2010)

NAC 703.2225 Illustrative format. ([NRS 703.025](#), [704.210](#)) Copies of illustrative statements and schedules will be available at the Commission's offices during business hours for use by prospective applicants.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 5, eff. 10-14-82]

NAC 703.2231 Scope of presentation and preparation for hearing. ([NRS 703.025](#), [704.210](#)) An applicant must be prepared to go forward at a 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. To avoid delay by the Commission in its consideration of the proposed changes, the applicant must ensure that the material it relied upon is of such composition, scope and format that it would serve as its complete case if the matter is set for hearing.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 6, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R036-09, 11-25-2009)

NAC 703.2235 Format of statements and schedules. ([NRS 703.025](#), [704.210](#)) Statements and schedules must generally follow the illustrative examples mentioned in [NAC 703.2225](#). Each item must be labeled, be mathematically correct, be properly cross-referenced and it must indicate the date or period covered by the statement or schedule.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 7, eff. 10-14-82]

NAC 703.2241 Nonapplicable statements and schedules. ([NRS 703.025](#), [704.210](#)) All statements and schedules required to be submitted to the Commission pursuant to [NAC 703.2265](#) to [703.2461](#), inclusive, must be in alphabetical sequence. If the applicant omits any required statement or schedule in the belief that it is not applicable, a written explanation for the omission must be submitted in lieu of the required statement or schedule.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 8, eff. 10-14-82]

NAC 703.2245 Recorded data and adjustments. ([NRS 703.025](#), [704.210](#))

1. Amounts which purport to represent recorded data and are included in a statement or schedule must be reported in a separate column or columns. Adjustments to recorded data must also be reported in a separate column or columns so that the recorded data, the adjustments thereto and the adjusted amounts are clearly disclosed.

2. If a utility includes adjustments which will be experienced and certified pursuant to subsection 3 of [NRS 704.110](#), such adjustments must be reported in a separate column or columns so that the recorded data, the adjustments thereto and the certification adjustments, if any, are clearly disclosed.

3. If the utility includes, pursuant to subsection 4 of [NRS 704.110](#), adjustments which show the effects, on an annualized basis, of all expected changes in circumstances that are reasonably known and measurable with reasonable accuracy, such adjustments must be reported in a separate column or columns so that the recorded data, adjustments to recorded data, certification adjustments, if any, and adjustments that show the effects of all expected changes in circumstances, including directly attributable or associated offsets in revenue and expenses as required by paragraph (a) of subsection 4 of [NRS 704.110](#), are clearly disclosed.

4. All adjustments to recorded data which are submitted pursuant to subsection 1, 2 or 3 must be supported by workpapers detailing the calculations, units, unit rates and any other accounting or financial data necessary to completely explain and justify the proposed adjustments.

5. The applicant shall calculate all adjustments which are submitted pursuant to subsection 1, 2 or 3 to show the annual effect of the change in units or in the unit rate, or both, upon the applicant's weighted cost of capital, rate base or summary of earnings.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 9, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2247 Statements of effects of expected changes in circumstances: Submission by certain natural gas utilities. ([NRS 703.025](#), [704.210](#)) If a public utility which purchases natural gas for resale elects, pursuant to subsection 4 of [NRS 704.110](#), to submit with its general rate application a statement showing the effects, on an annualized basis, of all expected changes in circumstances, it shall submit the application and statement not later than 155 days after the end of the 12-month period described in subsection 3 of [NRS 704.110](#) for which data was available when the application was prepared. The statement must include all expected changes in circumstances for the 12-month period that ends 210 days after the application is submitted.

(Added to NAC by Pub. Utilities Comm'n by R049-06, eff. 11-13-2006)

NAC 703.2251 Reliance on other data. ([NRS 703.025](#), [704.210](#)) If the applicant has relied on data other than that presented in the statements and schedules prescribed by [NAC 703.2201](#) to [703.2481](#), inclusive, such other data must be submitted in addition to the prescribed statements and schedules.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 10, eff. 10-14-82]—(NAC A 1-5-89)

NAC 703.2255 Supporting data. ([NRS 703.025](#), [704.210](#))

1. The data in support of the proposed change in rates must include the required recorded data, adjustments and other computations and information on which the applicant relies to justify the proposed rates.

2. Any data or summaries included in the application which reflect the book of accounts must be supported by accounting workpapers. The workpapers must contain, in separate columns, all necessary particulars from which an auditor may readily identify the book data included in the filing and a verification that such data are in agreement with the applicant's book of accounts. All statements, schedules and workpapers must be prepared in accordance with the classifications provided in the uniform system of accounts. Workpapers in support of all adjustments, computations and other information included in the application must be cross-referenced, contain all relevant details and be available for inspection.

3. Each applicant shall prepare and maintain workpapers sufficient to support the application. Failure to produce promptly such workpapers on request of an authorized representative of the Commission or the Consumer's Advocate is a cause for dismissal by the Commission of the application in its entirety. In addition to the workpapers, the following material, normally prepared by the applicant, must be made available for verification and analysis by the Commission's staff and the Consumer's Advocate. Upon request, a copy of the information must be furnished. If required for the analysis, the Commission will request:

(a) Copies of monthly financial reports prepared for managerial purposes.

(b) Copies of the accounting analyses of balance sheet accounts.

(c) Complete trial balances of all the balance sheet accounts at the beginning and end of the 12 months of actual experience, and revenue and expense accounts for the 12 months of recorded data used for the application.

(d) Analyses of the miscellaneous revenues and related expenses included in the submitted results of operations.

(e) Analyses of accounts showing retained earnings or capital surplus.

(f) Copies of all relevant reports and correspondence with other regulatory agencies.

(g) Copies of all relevant reports, returns and correspondence with federal, state and local authorities on taxes.

(h) If not confidential, copies of all managerial studies, reports and letters prepared by employees of the company and outside auditors.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 11, eff. 10-14-82]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2261 Filing of information relating to deferred energy accounting. ([NRS 703.025, 704.210](#)) Any information submitted that relates to deferred energy accounting must be prepared and filed in accordance with [NAC 704.023](#) to [704.195](#), inclusive.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 12, eff. 10-14-82]—(NAC A 11-3-87; A by Pub. Utilities Comm'n by R100-01, 12-17-2001)

NAC 703.2265 Filing requirements for utilities with annual gross operating revenues of \$250,000 or more. ([NRS 703.025, 704.210](#)) Except as otherwise provided in [NAC 703.22073](#), in filing its application, an applicant whose annual operating revenues are \$250,000 or more must include statements A to E, inclusive, F and G with their respective schedules, H to J, inclusive, K, L and M with their respective schedules and N to P, inclusive, as these statements and schedules are described in [NAC 703.2271](#) to [703.2451](#), inclusive.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 13, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R036-10, 12-16-2010)

NAC 703.2271 Statement A. ([NRS 703.025, 704.210](#)) Statement A must consist of a statement of financial position based on the total company, in the order of accounts prescribed by the uniform system of accounts, as of the beginning and end of the period of testing. A statement of financial position on a consolidated basis must be included if the applicant is a member of an associated group of companies.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 14, eff. 10-14-82]

NAC 703.2275 Statement B. ([NRS 703.025, 704.210](#)) Statement B must consist of a statement of income based on the total company, in the order of accounts prescribed by the uniform system of

accounts for the period for testing. A statement of income on a consolidated basis must be included if the utility is a member of an associated group of companies.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 15, eff. 10-14-82]

NAC 703.2281 Statement C. ([NRS 703.025](#), [704.210](#)) Statement C must consist of a statement that shows the balance at the beginning of the period of testing with debits and credits to retained earnings during such a period according to descriptive captions and the resultant balance at the end of the period of testing.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 16, eff. 10-14-82]

NAC 703.2285 Statement D. ([NRS 703.025](#), [704.210](#))

1. Statement D must consist of a statement satisfying the letter and spirit of the Statement of Financial Accounting Standards No. 95 issued by the Financial Accounting Standards Board.

2. The Commission hereby adopts by reference Statement No. 95 which is entitled "Statement of Cash Flows," published in November 1987.

3. A copy of Statement No. 95 may be obtained from the Commission's office for a price of \$5.50.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 17, eff. 10-14-82]—(NAC A 12-2-91)

NAC 703.2291 Statement E. ([NRS 703.025](#), [704.210](#)) Statement E must contain any report, opinion or footnote applicable to any portion of the period included in statements A, B, C and D or related footnotes which were made by any accountant or auditor.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 18, eff. 10-14-82]

NAC 703.2295 Statement F. ([NRS 703.025](#), [704.210](#)) Statement F must contain a statement that shows the dollar amount of each component of the capital structure, its related cost percentage and the proportion of each component of the capital structure to the total capital structure. This statement must also show the percentage of the overall rate of return requested and the general reasons therefor.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 19, eff. 10-14-82]

NAC 703.2301 Schedule F-1. ([NRS 703.025](#), [704.210](#)) Schedule F-1 is 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 period of testing and the cost of new securities issued pursuant to subsection 3 of [NRS 704.110](#):

1. Title;
2. Date of issuance and final maturity;
3. Interest rate;
4. Principal amount of the issue, gross proceeds, discount and any premiums;
5. The amount and percentage of the gross proceeds of the issuance expense, including underwriters' discounts or commissions;
6. Principal amount of the issue outstanding, unamortized discount and expense and net proceeds outstanding;
7. Effective cost of the money;
8. If the issue is owned by an affiliate, the name and relationship of the owner; and
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 period of testing.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 20, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2305 Schedule F-2. (NRS 703.025, 704.210) Schedule F-2 is 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 period of testing and the cost of new securities issued pursuant to subsection 3 of [NRS 704.110](#):

1. Title;
2. Date of issuance;
3. If callable, the call price;
4. If convertible, the terms of conversion;
5. Dividend rate;
6. Par or stated amount of the issue, gross proceeds and any premiums;
7. The amount and percentage of gross proceeds of the issuance expense, including underwriters' discounts or commissions;
8. Net proceeds;
9. Cost of the money;
10. Whether the issue was offered to stockholders through subscription rights or to the public; and
11. If the issue is owned by an affiliate, the name and relationship of the owner.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 21, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2311 Schedule F-3. (NRS 703.025, 704.210) Schedule F-3 is a schedule that shows the derivation and justification for the cost of common equity included in statement F.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 22, eff. 10-14-82]

NAC 703.2315 Schedule F-4. (NRS 703.025, 704.210) Schedule F-4 is a schedule that shows for each issue of common stock during the 6 years preceding the balance sheet as of the end of the period of testing 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. Amount and percentage of gross proceeds of underwriters' discounts or commissions;
4. Proceeds to applicant;
5. Amount and percentage of gross proceeds of issuance expenses; and
6. Net proceeds showing the offering price and net proceeds per share.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 23, eff. 10-14-82]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2321 Statement G. (NRS 703.025, 704.210) Statement G is a summary of the overall rate base from the figures contained on the supporting schedules.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 24, eff. 10-14-82]

NAC 703.2325 Schedule G-1. (NRS 703.025, 704.210) Schedule G-1 is a schedule summarizing the amounts of utility plant for Nevada classified by primary accounts as of the beginning of the period of testing, the book additions and reductions (in separate columns) during the 12 months, and the balances at the end of such a period. In adjoining columns there must be shown the claimed adjustments, if any, to the book balances and the total cost of plant. All adjustments must be fully and clearly explained in the supporting material submitted.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 25, eff. 10-14-82]

NAC 703.2331 Schedule G-2. ([NRS 703.025](#), [704.210](#)) Schedule G-2 is a statement that shows by primary accounts the accumulated provisions for depreciation, amortization and abandonment as of the beginning of the period of testing, the book additions and reductions during the 12 months, and the balances at the end of such a period. In adjoining columns there must be shown adjustments to these ending book balances and the total adjusted balances. All adjustment must be clearly and fully explained in the supporting material submitted.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 26, eff. 10-14-82]

NAC 703.2335 Schedule G-3. ([NRS 703.025](#), [704.210](#)) Schedule G-3 is 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.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 27, eff. 10-14-82]

NAC 703.2341 Schedule G-4. ([NRS 703.025](#), [704.210](#)) Schedule G-4 is a schedule that shows the recorded balances for each component of materials and supplies by month, so that an allowance for the average of 13 months' balances of materials and supplies can be calculated. The schedule must 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 period of testing.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 28, eff. 10-14-82]

NAC 703.2343 Schedule G-5. ([NRS 703.025](#), [704.210](#)) Schedule G-5 is required if a utility's application includes a provision for cash to be used as working capital. This schedule must contain an explanation of the inclusion of this amount and a schedule showing the derivation of the amount of cash so requested.

(Added to NAC by Pub. Service Comm'n, eff. 1-6-84)

NAC 703.2345 Statement H. ([NRS 703.025](#), [704.210](#))

1. Statement H is a summary of the overall results of operations developed from the supporting schedules and statements. Statement H must show and, to the extent practicable, the supporting schedules and statements must show:

- (a) The amounts as recorded on the applicant's books;
- (b) Adjustments during the year of testing for known changes; and
- (c) The requested rate of return and the application of the requested rate of return to the overall rate base.

2. If an applicant elects to make a certification filing pursuant to subsection 3 of [NRS 704.110](#), statement H must also include a separate schedule which specifically identifies the adjustments to be certified by the applicant.

3. If an applicant elects to file a statement of expected changes in circumstances pursuant to subsection 4 of [NRS 704.110](#), statement H must also include a separate schedule specifically identifying the adjustments for the expected changes in circumstances, including directly attributable or associated offsets in revenue and expenses as required by paragraph (a) of subsection 4 of [NRS 704.110](#).

4. An applicant may, but is not required to, elect to file:

- (a) A certification pursuant to subsection 3 of [NRS 704.110](#);

(b) A statement of expected changes in circumstances pursuant to subsection 4 of [NRS 704.110](#); or
(c) Both a certification and a statement of expected changes in circumstances pursuant to paragraphs (a) and (b).

5. If an applicant elects to file both a certification pursuant to subsection 3 of [NRS 704.110](#) and a statement of expected changes in circumstances pursuant to subsection 4 of [NRS 704.110](#), the applicant must:

(a) Comply with the requirements described in subsections 2 and 3; and

(b) Include in each filing a separate column or columns showing the subtotals for each adjusted amount.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 29, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2351 Statement I. ([NRS 703.025](#), [704.210](#))

1. If statement H contains adjustments for changes beyond the actual year of testing to be certified pursuant to subsection 3 of [NRS 704.110](#), certification of these amounts must be submitted in statement I in accordance with subsection 3 of [NRS 704.110](#). The certified amounts shown in statement I must be made in the same format as statement H. Statement I must begin with the results of operations as recorded and as adjusted for known changes during the year of testing from statement H. Each certified adjustment must be then shown. The necessary detail used to support each certified adjustment must be submitted with the statement.

2. If an applicant is filing solely pursuant to subsection 4 of [NRS 704.110](#), statement I is not necessary.

3. If an applicant is filing pursuant to both subsections 3 and 4 of [NRS 704.110](#), the expected changes in circumstances and offset amounts, in addition to the certified amounts as described in subsection 1, must be shown in statement I in the same format as statement H.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 & 30, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R049-06, 11-13-2006; R036-09, 11-25-2009)

NAC 703.2355 Statement J. ([NRS 703.025](#), [704.210](#))

1. Statement J must contain a statement that shows the revenues used to operate a utility classified in accordance with the accounts for operating revenue prescribed by the uniform system of accounts. Sales and service must be classified as between department, jurisdictional and nonjurisdictional, as applicable.

2. Jurisdictional operating revenues must be adjusted to show the annual effect of changes occurring during the period of testing. Adjusted sales for each rate schedule to show the annual effect of increases or decreases in the number of customers during such a period may be computed using the number of customers at the end of the period and the average annual usage and demand per customer, except where the applicant can attribute changes in sales directly to changes in the usage or demand of individual customers.

3. If statement H contains adjustments for estimated changes in expenses beyond the actual recorded year of testing and the application is being certified pursuant to subsection 3 of [NRS 704.110](#), the applicant in its statement I shall adjust jurisdictional operating revenues to show the annual effect of changes occurring during the period for certification. Adjusted sales for each rate schedule to show the annual effect of increases or decreases in the number of customers during the period for certification may be computed using the number of customers and the average annual usage and demand per customer at the end of the period for certification, except in those instances where the applicant can attribute changes in sales directly to changes in the usage or demand of individual customers.

4. Statement J must disclose, using supporting schedules as necessary, revenues by months and revenue totals for the period of testing. Statement J must also disclose, using supporting schedules as necessary, the revenue totals for such a period from adjusted 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 nonjurisdictional sales.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 31, eff. 10-14-82]—(NAC A by Pub. Utilities Comm'n by R049-06, 11-13-2006)

NAC 703.2361 Statement K. ([NRS 703.025](#), [704.210](#)) Statement K must contain:

1. A statement that shows the expenses for operation and maintenance according to each account of the uniform system of accounts. The expenses must be shown under the following appropriate column headings, with subtotals for each functional classification:

- (a) Expenses for operation and maintenance as booked for the period of testing;
- (b) Any adjustment to expenses booked; and
- (c) Total adjusted expenses for operation and maintenance which are claimed.

2. A detailed explanation of any adjustment and the manner of determination must be supplied.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 32, eff. 10-14-82]

NAC 703.2365 Schedule K-1. ([NRS 703.025](#), [704.210](#)) Schedule K-1 is a schedule that shows the segregation of expenses for operations and maintenance, and their functional groupings into a component for labor and a component embracing the remainder of the expenses. This segregation into components must be applicable to the recorded accounts balances for the year of testing and to any adjustments thereto.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 33, eff. 10-14-82]

NAC 703.2371 Schedule K-2. ([NRS 703.025](#), [704.210](#)) Schedule K-2 must contain an analysis of each account in schedule format for the year of testing disclosing:

1. The classification of principal charges and credits for advertising costs;
2. Particulars of supporting computations and accounting bases;
3. A description of service and related amounts for which liability is incurred or accrued; and
4. The name of the firm or person rendering the services.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 34, eff. 10-14-82]

NAC 703.2375 Schedule K-3. ([NRS 703.025](#), [704.210](#)) Schedule K-3 must include an analysis of each account in schedule format for the year of testing disclosing:

1. The classification of principal charges and credits for outside companies which were employed;
2. Particulars of supporting computations and accounting bases;
3. A description of service and related amounts for which liability is incurred or accrued; and
4. The name of the firm or person rendering the services.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 35, eff. 10-14-82]

NAC 703.2381 Schedule K-4. ([NRS 703.025](#), [704.210](#)) Schedule K-4 must include an analysis of each account in schedule format for the year of testing disclosing:

1. The classification of principal charges and credits for pensions and benefits for employees;
2. Particulars of supporting computations and accounting bases;
3. A description of service and related amounts for which liability is incurred or accrued; and
4. The name of the firm or person rendering the services.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 36, eff. 10-14-82]

NAC 703.2385 Schedule K-5. ([NRS 703.025](#), [704.210](#)) Schedule K-5 must include an analysis of each account in schedule format for the year of testing disclosing:

1. The classification of principal charges and credits for expenses caused by regulations of the Commission;
2. Particulars of supporting computations and accounting bases;
3. A description of service and related amounts for which liability is incurred or accrued; and
4. The name of the firm or person rendering the services.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 37, eff. 10-14-82]

NAC 703.2391 Schedule K-6. ([NRS 703.025](#), [704.210](#)) Schedule K-6 must include an analysis of each account in schedule format for the year of testing disclosing:

1. The classification of principal charges and credits for miscellaneous general expenses;
2. Particulars of supporting computations and accounting bases;
3. A description of service and related amount in dollars for which liability is incurred or accrued; and
4. The name of the firm or person rendering the services.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 38, eff. 10-14-82]

NAC 703.2395 Schedule K-7. ([NRS 703.025](#), [704.210](#)) If the expense accounts contain charges or credits from associated companies or nonutility departments of the applicant, the applicant must submit schedule K-7 for each such associated company or nonutility department showing:

1. The amount of the charges or credits during each month and in total for the year of testing;
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; and
4. The bases used in determining the amounts of the charges or credits.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 39, eff. 10-14-82]

NAC 703.2401 Statement L. ([NRS 703.025](#), [704.210](#))

1. Statement L must contain a statement that shows separately the plant depreciation and amortization expense by functional classifications. These expenses must be shown in separate columns as follows:

- (a) Expenses for the period of testing;
- (b) Any adjustment to such expense; and
- (c) The total adjusted expense claimed.

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

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 40, eff. 10-14-82]

NAC 703.2405 Schedule L-1. ([NRS 703.025](#), [704.210](#)) Schedule L-1 must contain 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.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 41, eff. 10-14-82]

NAC 703.2411 Statement M. ([NRS 703.025](#), [704.210](#)) Statement M must contain a statement that shows the computation of allowances for federal income taxes for the period of testing. To indicate the accounting classification applicable to the amount claimed, the computation of the allowance for federal income tax must show separately the amounts designated as current tax and deferred tax.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 42, eff. 10-14-82]

NAC 703.2415 Schedule M-1. ([NRS 703.025](#), [704.210](#)) Schedule M-1 must contain 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 3 preceding years. A complete explanation of all items in the reconciliation must 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 must be submitted.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 43, eff. 10-14-82]

NAC 703.2421 Schedule M-2. ([NRS 703.025](#), [704.210](#))

1. If tax depreciation differs from book depreciation, the applicant must file schedule M-2 showing the computation of the tax depreciation indicating:

(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.

2. The schedule must pertain to the most recent year for which a tax return was filed and for the 3 previous years.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 44, eff. 10-14-82]

NAC 703.2425 Schedule M-3. ([NRS 703.025](#), [704.210](#))

1. If the applicant joins in the filing of a consolidated federal income tax return, the applicant must file schedule M-3 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.

2. The applicant must also submit the details of consolidation adjustment and a computation of the system tax liability based on the consolidated net income for the last tax year ending within the period of testing, or immediately prior thereto, for which a tax return was filed. In addition, the applicant must include a computation showing the percentage of tax savings arising from consolidation for the taxable year covered by such a period.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 45, eff. 10-14-82]

NAC 703.2431 Schedule M-4. ([NRS 703.025](#), [704.210](#)) Schedule M-4 must contain a schedule that shows monthly book balances of accumulated deferred income taxes for each of the 12 months during the period of testing.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 46, eff. 10-14-82]

NAC 703.2435 Schedule M-5. ([NRS 703.025](#), [704.210](#))

1. Schedule M-5 must contain a schedule that shows the taxes paid by the applicant, other than income taxes in separate columns, as follows:

(a) Tax expense per books for the period of testing;

(b) Any adjustments to the amounts booked; and

(c) The total adjusted taxes claimed.

2. The taxes must be shown by states and by kind of taxes.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 47, eff. 10-14-82]

NAC 703.2441 Statement N. ([NRS 703.025](#), [704.210](#)) Statement N must contain 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 nonregulated operations. The statement must 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 must 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 the applicant's statements or schedules using the same method employed by the applicant.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 48, eff. 10-14-82]

NAC 703.2443 Schedule N-1. ([NRS 703.025](#), [704.210](#)) If an officer or employee of a utility provides services related to operations which are not regulated by the Commission, the utility shall submit a schedule showing the expenses related to that officer or employee allocated between regulated and nonregulated operations.

(Added to NAC by Pub. Service Comm'n, eff. 1-6-84)

NAC 703.2445 Statement O. ([NRS 703.025](#), [704.210](#)) Statement O must contain a narrative statement used in support of the design of a proposed rate. The statement must describe and justify the objectives of the design of the proposed rate. If the purpose of the design is to reflect costs, the narrative must state how that objective is achieved, and must be accompanied by a summary analyzing cost that would justify the design. If the design is not intended to reflect costs (whether fully distributed, incremental or other), a statement must be furnished justifying the departure from rates based on cost.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 49, eff. 10-14-82]

NAC 703.2451 Statement P. ([NRS 703.025](#), [704.210](#)) Statement P must be used to disclose:

1. Any change in presentation for rate making and any change in accounting methods, procedures and allocations adopted since the year of testing presented in the last general rate case. If the change will increase or decrease the applicant's current requirements for revenue by more than \$25,000 or one-hundredth of 1 percent of the overall rate of return for the period of testing, whichever is smaller, the disclosure must include a description of the new method and the old method and a calculation illustrating any effect of the change upon the applicant's weighted cost of capital, rate base or summary of earnings.

2. Any categories of expense or rate base which have been considered and disallowed by the Commission in a previous case and a full explanation of the new facts and policy considerations offered for each item proposed.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 50, eff. 10-14-82]—(NAC A 1-6-84)

NAC 703.2452 Statement Q. ([NRS 703.025](#), [704.210](#)) Statement Q must contain a statement of the number and type of shares held by shareholders at the end of the test year and any changes in ownership which occurred during the test year, including that information required in subsection 9 of [NAC 703.175](#).

(Added to NAC by Pub. Service Comm'n, eff. 1-6-84)

NAC 703.2461 Certified adjustments. ([NRS 703.025](#), [704.210](#))

1. Adjustments may be certified up to 6 months beyond the period of testing pursuant to subsection 3 of [NRS 704.110](#). Adjustments must be known and measurable with reasonable accuracy at the time of filing the original application. No new rates, fares or charges may be placed into effect until the changes have been experienced and certified by the applicant to the Commission.

2. Adjustments that may be certified and reported in an application for a rate increase in statement I include, but are not limited to, the following items:

(a) The costs of new securities as defined in [NRS 704.322](#), and the associated expense for interest as an adjustment to the calculation of federal income tax;

(b) Adjustments in the rate base that reflect increased investments in facilities used and useful in operations of the utility and the deduction of the appropriate amounts from construction work in progress as a factor in allocating interest costs between departments;

(c) Operating revenues based on sales calculated as described in [NAC 703.2355](#); and

(d) Expenses which are:

(1) Costs for labor, pensions, benefits and taxes, when such taxes are a direct result of a change in the rate per unit of costs for labor;

(2) Costs for research and development;

(3) Property taxes;

(4) Depreciation;

(5) Insurance; and

(6) Rent.

3. Each adjustment must also include a calculation of the appropriate federal income tax.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 52, eff. 10-14-82]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R036-09, 11-25-2009)

NAC 703.2481 Notice to public and customers. ([NRS 703.025](#), [704.210](#))

1. When a public utility files an application to adjust any rate or charge for the service or commodities furnished by it to increase its return on investment, to increase its rate base or to cover expenses not related to fuel or purchased power, the public utility shall:

(a) Within 10 days after filing the application, make available at each of its business offices a complete copy of the application in such form and place as to be readily accessible and conveniently inspected by the public;

(b) Within 10 days after filing the application, print in plain type and post at each of its business offices, in such form and place as to be readily accessible to and conveniently inspected by the public, a notice stating that the application has been filed with the Commission, describing briefly the purpose of the application, indicating that the complete application is available for public inspection on the premises and listing the locations at which additional information may be obtained; and

(c) Within 20 days after filing the application, submit to the Commission affidavits of that filing and the posting required in paragraphs (a) and (b) of this subsection.

2. When a public utility files an application to adjust any rate or charge for the service or commodities furnished by it to increase its return on investment, to increase its rate base or to cover expenses not related to fuel or purchased power and the Commission has set a date and location for a hearing on the application, the applicant shall provide notice to its customers who are affected by the proposed increase. The first paragraph of the notice must state the date, time and place of the hearing, the total amount of the proposed increase in dollars, the estimated proposed monthly increase in dollars and the proposed percentage of increase for each class of customer or class of service. The notice must also state that the Commission may set rates which may be higher or lower than the rates proposed in the application and that additional information may be obtained from the Commission or at

the offices of the public utility filing the application. The notice must be given at least 10 days before the hearing, by two of the three following methods:

(a) Inclusion in the regular bill of charges transmitted to the applicant's customers.

(b) Separate mailing to each of the applicant's customers.

(c) Prominent presentation in one or more forms of the media, such as newspapers, television or radio, so that the notice will reach the applicant's customers.

3. At or before the hearing, the applicant must submit a verified statement to the Commission that the notice required in subsection 2 has been given. The statement must:

(a) List the means by which, and the dates and times when, the notice was mailed, published or broadcast; and

(b) Include, as an attachment, a copy of the notice as mailed, published or transcribed.

[Pub. Service Comm'n, Gen. Order 3 Rule 16 § 56, eff. 10-14-82]—(NAC A 1-6-84; 3-19-87; A by Pub. Utilities Comm'n by R116-03, 10-30-2003)

Certification of Public Convenience

NAC 703.170 to 703.205

; A by R116-03, 10-30-2003)

APPLICATIONS FOR PRIVILEGES, RIGHTS AND AUTHORITY

Certificates of Public Convenience and Necessity: Public Utilities

NAC 703.170 Applicability. ([NRS 703.025](#), [704.210](#)) The provisions of [NAC 703.170](#) to [703.205](#), inclusive, apply to an application by a public utility for a certificate to begin operations as a public utility or to construct or extend its plant or system in such a manner as to require certification under [NRS 704.3296](#) to [704.410](#), inclusive.

[Pub. Service Comm'n, Gen. Order 3 § 19.010, eff. 1-1-79]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R043-06, 12-7-2006)

NAC 703.175 General requirements. ([NRS 703.025](#), [704.210](#)) An applicant for a certificate of public convenience and necessity must, in addition to complying with the provisions of [NAC 703.530](#) to [703.615](#), inclusive, 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. The application must contain a certification that a copy of the application has been served upon or mailed to each entity named.
3. A legible map of suitable scale indicating townships, ranges and sections, and 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 permits for health and safety 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 must also be made under [NAC 703.415](#) to [703.427](#), inclusive.
5. Facts showing that public convenience and necessity requires or will require the proposed construction or extension.
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, including 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, including a copy of its most recent balance sheet and statement of income.
8. A statement of the proposed rates to be charged for service to be rendered by means of the proposed construction or extension, the rules governing service in the form of a tariff, an estimate of

the number of customers to be served and an estimate of the annual revenue to be received from those customers.

9. If the applicant is a corporation, a list of:

(a) The shareholders holding 2 percent or more of the issued shares of stock of the corporation and the number of shares they hold listed by class.

(b) The number of shares of stock, listed by class, held directly by all executive officers of the corporation, including the president, vice president, secretary, treasurer and any other person in a position of similar responsibility, and the number of shares held indirectly by those officers pursuant to an ownership plan for employees.

10. Such additional information as is necessary for a full understanding of the application.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R188-03, 7-16-2004; R043-08, 9-18-2008)

NAC 703.180 Specific requirements for small-scale providers of last resort that are not competitive suppliers. ([NRS 703.025](#), [704.210](#)) In the case of a small-scale provider of last resort that is not a competitive supplier, in addition to all other applicable requirements of [NAC 703.175](#), an application must include the estimated number of customers and the estimated revenue to be recovered from those customers by the small-scale provider of last resort for the first 5 years of operation.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]—(NAC A 9-13-85; A by Pub. Utilities Comm'n by R136-07, 1-30-2008; R040-08, 9-18-2008)

NAC 703.185 Specific requirements for electric companies. ([NRS 703.025](#), [704.210](#)) In the case of an electric company, in addition to all other applicable requirements of [NAC 703.175](#), an application must include:

1. Load and resource data setting forth recorded and estimated loads (energy and demands), available capacity and margins for 2 years of actual and 3 years of estimated, on the basis of an average year.

2. The effective operating capacity of generating plants which have been rated and planned additions for the next 3 years.

3. The estimated capital and operating costs of any proposed generating plant.

4. The estimated number of customers to be served and their requirements for the first 5 years of operation.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]

NAC 703.190 Specific requirements for water utilities. ([NRS 703.025](#), [704.210](#), [704.355](#))

1. In the case of a water utility, in addition to all applicable requirements of [NAC 703.175](#), an application must include the following information regarding its technical, managerial and financial capability to operate the system in a reliable manner and provide continuous and adequate service to its customers:

(a) To demonstrate technical capability, the applicant must provide:

(1) Evidence that there is a need for a water utility.

(2) Written agreements or statements from property owners, approved subdivision maps and any other documentation that demonstrates the need for water service in the area for which the certificate is requested.

(3) Evidence that any required construction or operating permit from other state and local agencies has been obtained and is in effect, or that an application for such a permit has been submitted to other state and local agencies and the date of its anticipated issuance.

(4) A plan that demonstrates the continuing ability of the utility to meet the needs, relating to water resources, of the entire service area to be served by the utility. In lieu of such a plan, the utility may provide information which demonstrates that the utility has adequate resources to meet such needs, including, without limitation:

(I) Copies of all documents evidencing water rights and accompanying maps.

(II) Hydrological data defining the reliability of the source.

(III) Any additional information which is necessary to demonstrate the ability of the utility to meet those needs.

(5) An estimate of the number of customers that will be served in the proposed service area during the first 5 years of service, and the estimated number of customers at build-out of the proposed service area.

(6) A full description of the proposed water system, including the proposed normal operating and emergency standby water facilities to serve the area for which the certificate is sought.

(7) If the utility facilities will be phased in as customers are added, a description of the phasing thresholds for each utility facility that will be phased in.

(b) To demonstrate managerial capability, the applicant must provide:

(1) An operations and maintenance plan for the proposed water utility, including, without limitation:

(I) The contact information for all principal managers, certified operators and customer service representatives of the system;

(II) The normal procedures for maintenance used to ensure the proper operation of the system; and

(III) A plan describing how worn-out utility facilities will be replaced.

(2) A standard operating procedure for all employee communications not covered by the proposed tariff.

(3) A training protocol for all employees.

(4) Evidence that the applicant will maintain its books and records consistent with the system of accounts established by the National Association of Regulatory Utility Commissioners for water utilities.

(c) To demonstrate financial capability, the applicant must provide:

(1) An explanation of whether and to what extent customers will directly or indirectly make contributions to the costs of the facilities of the proposed water system. The explanation must indicate whether the applicant intends to assess charges or has assessed charges for the extension of any lines and whether the price of lots or units in the proposed service area will reflect the cost of the investment in the proposed system.

(2) Evidence that the proposed revenues from reasonable rates will give the applicant an opportunity to earn a fair return on its regulated rate base.

(3) A statement of the estimated operating revenues and expenses, including taxes and depreciation, for the first 5 years of operation in the proposed service area for each major class of service. If the applicant anticipates that the system will initially operate at a loss, the statement must identify the sources of money that will be used to sustain the operation of the system during that initial period.

(4) A depreciation schedule for the different water treatment facilities.

(5) A method for replacing rate base when the utility facility reaches the end of its service life.

(6) A copy of a performance bond or other suitable assurance deposited with the Federal Government or local government to guarantee construction of any improvements or infrastructure required for approval of final subdivision maps.

2. In addition to the information required by subsection 1, a water utility must include in its application for a certificate of public convenience and necessity:

(a) If the application is for an initial certificate to provide water service, proof that the utility inquired of each utility, person or other entity, whether publicly or privately operated, including, without limitation, a county water district, a public utility or municipal utility district, and any other water or utility district with which the proposed water service is likely to compete and each city or county within which the water service will be rendered under the requested certificate, whether the entity is ready, willing and able to provide the water service in the geographic area proposed by the applicant for the certificate. The application must set forth in detail the results of each inquiry.

(b) If the application is for a certificate to establish or extend water service within a county water district, a public utility or municipal utility district, any other water or utility district, or any other area that is served by such a district, the name and address of the district and certification that a copy of the application has been served upon or mailed to the district.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R054-97, 11-14-97; R043-06, 12-7-2006; R043-08, 9-18-2008)

NAC 703.195 Specific requirements for wastewater utilities. ([NRS 703.025](#), [704.210](#), [704.355](#))

1. In the case of a wastewater utility, in addition to all other applicable requirements of [NAC 703.175](#), an application must include the following information regarding its technical, managerial and financial capability to operate the system in a reliable manner and provide continuous and adequate service to its customers:

(a) To demonstrate technical capability, the applicant must provide:

(1) Evidence that there is a need for a wastewater utility.

(2) Written agreements or statements from property owners, approved subdivision maps and any other documentation that demonstrates the need for wastewater service in the area for which the certificate is requested.

(3) Evidence that any required construction or operating permit from other state and local agencies has been obtained and is in effect, or that an application for such a permit has been submitted to other state and local agencies and the date of its anticipated issuance.

(4) A plan that demonstrates the continuing ability of the utility to meet the needs, relating to wastewater treatment and disposal, of the entire service area to be served by the utility.

(5) An estimate of the number of customers that will be served in the proposed service area during the first 5 years of service, and the estimated number of customers at build-out of the proposed service area.

(6) A full description of the proposed wastewater system, including the proposed normal operating and emergency standby wastewater facilities to serve the area for which the certificate is sought.

(7) If the utility facilities will be phased in as customers are added, a description of the phasing thresholds for each utility facility that will be phased in.

(b) To demonstrate managerial capability, the applicant must provide:

(1) An operations and maintenance plan for the proposed wastewater utility, including, without limitation:

(I) The contact information for all managers, certified operators and customer service representatives of the system.

(II) The normal procedures for maintenance used to ensure the proper operation of the system.

(III) A plan describing how worn-out utility facilities will be replaced.

(2) A standard operating procedure for all employee communications not covered by the proposed tariff.

(3) A training protocol for all employees.

(4) Evidence that the applicant will maintain its books and records consistent with the system of accounts established by the National Association of Regulatory Utility Commissioners for wastewater utilities.

(c) To demonstrate financial capability, the applicant must provide:

(1) An explanation of whether and to what extent customers will directly or indirectly make contributions to the costs of the facilities of the proposed wastewater system. The explanation must include an indication of whether the applicant intends to assess charges for the extension of any lines and whether the price of lots or units in the proposed service area will reflect the cost of the investment in the proposed system.

(2) Evidence that the proposed revenues from reasonable rates will give the applicant an opportunity to earn a fair return on its regulated rate base.

(3) A statement of the estimated operating revenues and expenses, including taxes and depreciation, for the first 5 years of operation in the proposed service area for each major class of service. If the applicant anticipates that the system will initially operate at a loss, the statement must identify the sources of money that will be used to sustain the operation of the system during that initial period.

(4) A depreciation schedule for the different wastewater treatment facilities.

(5) A method for replacing rate base when the utility facility reaches the end of its service life.

(6) A copy of a performance bond or other suitable assurance deposited with the Federal Government or local government to guarantee construction of any improvements or infrastructure required for approval of final subdivision maps.

2. In addition to the information required by subsection 1, a wastewater utility must include in its application for a certificate of public convenience and necessity:

(a) If the application is for an initial certificate to provide wastewater service, proof that the utility inquired of each utility, person or other entity, whether publicly or privately operated, including, without limitation, a county sewer district, a public utility or municipal utility district, and any other sewer or utility district with which the proposed wastewater service is likely to compete and each city or county within which the wastewater service will be rendered under the requested certificate, whether the entity is ready, willing and able to provide the wastewater service in the geographic area proposed by the applicant for the certificate. The application must set forth in detail the results of each inquiry.

(b) If the application is for a certificate to establish or extend wastewater service within a county sewer district, a public utility or municipal utility district, any other sewer or utility district or any other area that is served by such a district, the name and address of the district and certification that a copy of the application has been served upon or mailed to the district.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]—(NAC A 1-6-84; A by Pub. Utilities Comm'n by R043-06, 12-7-2006; R043-08, 9-18-2008)

NAC 703.197 Specific requirements for annexations by existing water and wastewater utilities. ([NRS 703.025](#), [704.210](#)) In the case of an annexation by an existing water or wastewater utility, in addition to all other applicable requirements of [NAC 703.175](#), an application for a certificate of public convenience and necessity must include:

1. The information required by [NAC 703.190](#) or [703.195](#), as it pertains to the service area to be annexed; and

2. The anticipated effect, if any, that the annexation will have on the ability of the utility to provide reasonable and adequate service and facilities to its existing customers.

(Added to NAC by Pub. Utilities Comm'n by R043-06, eff. 12-7-2006)

NAC 703.199 Annual requirements for water and wastewater utilities. ([NRS 703.025](#), [704.210](#))

After obtaining an initial certificate of public convenience and necessity to begin operations as a public utility, a water or wastewater utility shall submit, with its annual report filed with the Commission pursuant to [NRS 703.191](#), information showing that the conditions set forth in subsections 3 to 6, inclusive, of [NRS 445A.540](#) or subsections 4, 5, 6 and 8 of [NRS 445A.895](#) have been met.

(Added to NAC by Pub. Utilities Comm'n by R043-06, eff. 12-7-2006)

NAC 703.200 Specific requirements for water and sewer companies that are no longer exempt. ([NRS 703.025](#), [704.210](#)) In the case of an application by a water or sewer company that is no longer exempt under [NRS 704.021](#), in addition to the information required by [NAC 703.175](#) and [703.190](#) or [703.195](#), an application must include:

1. A balance sheet as of the date the utility reached the statutory jurisdictional requirements of gross revenues and number of customers of [NRS 704.021](#).

2. A schedule of accounts showing the original cost of any plant in service as of the date of the balance sheet or an estimate of the cost of any plant proposed by a new water company, or both a schedule of accounts and an estimate of costs.

3. A depreciation schedule by account for each plant showing the method and rate of depreciation, and accumulated depreciation as of the date of the balance sheet.

4. An operating statement for the most recent 12-month period ending on the date of the balance sheet, showing operating revenues and expenses.

5. A statement showing the number of customers being served as of the date of the balance sheet.

6. 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 an order of the Commission that approves the new rates after the utility has reached the jurisdictional requirements of gross revenues and number of customers set forth in [NRS 704.021](#). An application pursuant to the provisions established for pleadings and motions and the requirements for public utilities requesting adjustments in rates 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.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]—(NAC A 3-19-87; A by Pub. Utilities Comm'n by R079-99, 11-16-99)

NAC 703.205 Specific requirements for gas companies. ([NRS 703.025](#), [704.210](#)) In the case of a utility which transmits or distributes natural gas or liquefied petroleum, in addition to the information required by [NAC 703.175](#), an application must include:

1. The estimated number of customers and their estimated requirements for the first 5 years of operation. These requirements must be categorized by priorities as set forth in [NAC 704.501](#).

2. A statement of the current sources of supply of natural gas and an estimate of the sources of supply of natural gas for the first 5 years of operation. These sources must be delineated by quantity or availability and, to the extent possible, by costs associated with delivery.

3. A description of all the utility's existing or planned facilities for storage and compression of natural gas.

[Pub. Service Comm'n, Gen. Order 3 part § 19.020, eff. 1-1-79]—(NAC A 1-6-84)

Utilities Environmental Protection Act Permit to Construct

NRS 704.870 to 704.890

NRS 704.870 Requirements for filing application: Form and contents; procedure when federal agency is required to conduct environmental analysis; time for filing application; service; public notice.

1. Except as otherwise provided in subsection 2, a person who wishes to obtain a permit for a utility facility must file with the Commission an application, in such form as the Commission prescribes, containing:

(a) A description of the location and of the utility facility to be built thereon;

(b) A summary of any studies which have been made of the environmental impact of the facility; and

(c) A description of any reasonable alternate location or locations for the proposed facility, a description of the comparative merits or detriments of each location submitted, and a statement of the reasons why the primary proposed location is best suited for the facility.

➔ A copy or copies of the studies referred to in paragraph (b) must be filed with the Commission and be available for public inspection.

2. If a person wishes to obtain a permit for a utility facility and a federal agency is required to conduct an environmental analysis of the proposed utility facility, the person must:

(a) Not later than the date on which the person files with the appropriate federal agency an application for approval for the construction of the utility facility, file with the Commission and each other permitting entity a notice, in such a form as the Commission or other permitting entity prescribes; and

(b) Not later than 30 days after the issuance by the appropriate federal agency of either the final environmental assessment or final environmental impact statement, but not the record of decision or similar document, relating to the construction of the utility facility:

(1) File with the Commission an application that complies with the provisions of subsection 1; and

(2) File with each other permitting entity an application for a permit, license or other approval for the construction of the utility facility.

3. A copy of each application filed with the Commission must be filed with the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

4. Each application filed with the Commission must be accompanied by:

(a) 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 facility is to be located, both as primarily and as alternatively proposed; and

(b) Proof that public notice thereof was given to persons residing in the municipalities entitled to receive notice pursuant to paragraph (a) by the publication of a summary of the application in newspapers published and distributed in the area in which the utility facility is proposed to be located.

5. Not later than 5 business days after the Commission receives an application pursuant to this section, the Commission shall issue a notice concerning the application. Any person who wishes to become a party to a permit proceeding pursuant to [NRS 704.885](#) must file with the Commission the appropriate document required by [NRS 704.885](#) within the time frame set forth in the notice issued by the Commission pursuant to this subsection.

(Added to NRS by 1971, 556; A 1973, 1263; [1981, 662](#); [1985, 2299](#); [1997, 5, 1915](#); [2001, 2987](#); [2003, 1258](#); [2013, 3211](#))

NRS 704.871 Approval of application for utility facility not intended to serve customers in State. If the Commission approves an application submitted by a public utility pursuant to [NRS 704.820](#) to [704.900](#), inclusive, for a utility facility which is not intended to serve customers in this State and the cost of which will not be included in the rates of that public utility, the public utility is not required to include the utility facility in any plan filed pursuant to [NRS 704.741](#).

(Added to NRS by [2013, 3210](#))

NRS 704.873 Commission has exclusive jurisdiction to determine need for utility facilities of certain public utilities; other permitting entities precluded from considering need. If a public utility that is subject to the provisions of [NRS 704.736](#) to [704.754](#), inclusive, applies to the Commission for a permit for the construction of a utility facility:

1. The Commission has exclusive jurisdiction with regard to the determination of whether a need exists for the utility facility; and
2. No other permitting entity may consider, in its review of any application for a permit, license or other approval for the construction of the utility facility, whether a need exists for the utility facility.

(Added to NRS by [2001, 2985](#); A [2009, 1000](#))

NRS 704.875 Review of application by Division of Environmental Protection of State Department of Conservation and Natural Resources. The Division of Environmental Protection of the State Department of Conservation and Natural Resources shall review each application filed and may participate in any proceeding held pursuant to [NRS 704.880](#).

(Added to NRS by 1971, 556; A 1973, 1264; [1997, 6](#))

NRS 704.877 Duty to accept and incorporate findings and conclusions of environmental review that already has been conducted; duplicative review prohibited; exception; duty to cooperate and coordinate to avoid duplication of activities.

1. Except as otherwise provided in this subsection, if an environmental review relating to the construction of a utility facility in its entirety, or to the construction of any portion of a utility facility, has already been conducted by an appropriate federal agency or by a state, regional or local agency, the Commission and each other permitting entity:

(a) Shall accept and incorporate the findings and conclusions made in that review into any application for a permit, license or other approval for the construction of the utility facility which is filed with the Commission or other permitting entity; and

(b) Shall not conduct any duplicative environmental review on the application.

↪ The Commission or other permitting entity need not comply with the provisions of this subsection if the Commission or other permitting entity has already completed its own environmental review.

2. The Commission and other permitting entities shall cooperate with each other and the appropriate federal agencies on applications for permits, licenses and other approvals to construct a utility facility and coordinate their activities, including, without limitation, conducting hearings or environmental reviews, to avoid duplication of activities.

(Added to NRS by [2001, 2985](#))

NRS 704.880 Power of Commission to dispense with hearing for certain applications; practice and procedure at hearings. The Commission, in its discretion, may dispense with the hearing on the application if, upon the expiration of the time fixed in the notice thereof, no protest against the granting of the permit has been filed by or in behalf of any interested party. The conduct of the hearing shall be the same as set forth in the applicable Rules of Practice and Procedure before the Commission.

(Added to NRS by 1971, 556)

NRS 704.885 Parties to proceeding for permit; limited appearance; intervention.

1. The parties to a permit proceeding include:

(a) The applicant.

(b) The Division of Environmental Protection of the State Department of Conservation and Natural Resources.

(c) Each local government entitled to receive service of a copy of the application pursuant to subsection 4 of [NRS 704.870](#), if it has filed with the Commission a notice of intervention as a party, within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#).

(d) Any natural person residing in a local government entitled to receive service of a copy of the application pursuant to subsection 4 of [NRS 704.870](#), if such a person has petitioned the Commission for leave to intervene as a party within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#) and if the petition has been granted by the Commission for good cause shown.

(e) 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 facility is to be located, if it has filed with the Commission a notice of intent to be a party within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#).

2. Any person may make a limited appearance in the proceeding by filing a statement of position within the time frame established by the Commission pursuant to subsection 5 of [NRS 704.870](#). A statement filed by a person making a limited appearance becomes part of the record. No person making a limited appearance has the right to present oral testimony or cross-examine witnesses.

3. The Commission may, for good cause shown, grant a petition for leave to intervene as a party to participate in subsequent phases of the proceeding, filed by a municipality, government agency, person or organization who is identified in paragraph (c), (d) or (e) of subsection 1, but who failed to file in a timely manner a notice of intervention, a petition for leave to intervene or a notice of intent to be a party, as the case may be.

(Added to NRS by 1971, 556; A 1973, 910, 1265, 1837; [1977, 215](#); [1985, 2300](#); [1997, 6, 1916](#); [2001, 2987](#); [2003, 1259](#))

NRS 704.890 Grant or denial of application: Required findings; conditions and modifications.

1. Except as otherwise provided in subsection 3, the Commission may not grant a permit for the construction, operation and maintenance of a utility facility, either as proposed or as modified by the Commission, to a person unless it finds and determines:

(a) The nature of the probable effect on the environment;

(b) If the utility facility emits greenhouse gases and does not use renewable energy as its primary source of energy to generate electricity, the extent to which the facility is needed to ensure reliable utility service to customers in this State;

(c) That the need for the facility balances any adverse effect on the environment;

(d) That the facility represents the minimum adverse effect on the environment, considering the state of available technology and the nature and economics of the various alternatives;

(e) That the location of the facility as proposed conforms to applicable state and local laws and regulations issued thereunder and the applicant has obtained, or is in the process of obtaining, all other permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances; and

(f) That the facility will serve the public interest.

2. If the Commission determines that the location of all or a part of the proposed facility should be modified, it may condition its permit upon such a modification. If the applicant has not obtained all the

other permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances as of the date on which the Commission decides to issue a permit, the Commission shall condition its permit upon the applicant obtaining those permits and approvals.

3. The requirements set forth in paragraph (f) of subsection 1 do not apply to any application for a permit which is filed by a state government or political subdivision thereof.

4. As used in this section, "renewable energy" has the meaning ascribed to it in [NRS 704.7811](#).

(Added to NRS by 1971, 557; A [1983, 887](#); [1985, 2301](#); [1997, 1916](#); [2001, 2988](#); [2009, 2753](#))

NRS 704.8905 Grant or denial of application: Time within which Commission and other permitting entities must act; determination upon record; terms, conditions and modifications; service of Commission order.

1. Except as otherwise required to comply with federal law:

(a) Not later than 150 days after a person has filed an application regarding a utility facility pursuant to subsection 1 of [NRS 704.870](#):

(1) The Commission shall grant or deny approval of that application; and

(2) Each other permitting entity shall, if an application for a permit, license or other approval for the construction of the utility facility was filed with the other permitting entity on or before the date on which the applicant filed the application pursuant to subsection 1 of [NRS 704.870](#), grant or deny the application filed with the other permitting entity.

(b) Not later than 120 days after a person has filed an application regarding a utility facility pursuant to subsection 2 of [NRS 704.870](#):

(1) The Commission shall grant or deny approval of the application; and

(2) Each other permitting entity shall, if an application for a permit, license or other approval for the construction of the utility facility was filed with the other permitting entity on or before the date on which the applicant filed with the appropriate federal agency an application for approval for the construction of the utility facility, grant or deny the application filed with the other permitting entity.

2. The Commission or other permitting entity shall make its determination upon the record and may grant or deny the application as filed, or grant the application upon such terms, conditions or modifications of the construction, operation or maintenance of the utility facility as the Commission or other permitting entity deems appropriate.

3. The Commission shall serve a copy of its order and any opinion issued with it upon each party to the proceeding before the Commission.

(Added to NRS by [2001, 2985](#); A [2013, 3212](#))

Utilities Environmental Protection Act Permit to Construct

NAC 703.421 to 703.423

NAC 703.421 Notice of application for approval by appropriate federal agency to construct utility facility. ([NRS 703.025](#), [704.210](#), [704.870](#)) A notice of an application for approval by the appropriate federal agency to construct a utility facility which is filed with the Commission pursuant to paragraph (a) of subsection 2 of [NRS 704.870](#) must contain the following information:

1. The name, address and telephone number of the person who filed the application with the appropriate federal agency.
2. The date on which the application was filed with the appropriate federal agency.
3. A general description of the location of the proposed utility facility.
4. A general description of the proposed utility facility.
5. Proof that a copy of the notice has been submitted to the Nevada State Clearinghouse within the State Department of Conservation and Natural Resources.

(Added to NAC by Pub. Utilities Comm'n by R076-07, eff. 10-31-2007; A by R072-13, 12-23-2013)

NAC 703.423 Application for permit when no federal agency required to conduct environmental analysis; amended application after final environmental assessment or environmental impact statement issued by federal agency. ([NRS 703.025](#), [704.210](#), [704.870](#)) An application filed with the Commission pursuant to subsection 1 of [NRS 704.870](#) for a permit to construct a utility facility where no federal agency is required to conduct an environmental analysis of the proposed utility facility, or an application filed with the Commission pursuant to paragraph (b) of subsection 2 of [NRS 704.870](#) for a permit to construct a utility facility where a federal agency has issued either its final environmental assessment or final environmental impact statement, but not the record of decision or similar document, relating to the construction of the proposed utility facility, must contain the following information in the order listed:

1. A description of the location of the proposed utility facility as required by subsection 1 of [NRS 704.870](#), including:
 - (a) A general description of the location of the proposed utility facility, including a regional map that identifies the location of the proposed utility facility;
 - (b) A legal description of the site of the proposed utility facility, with the exception of electric lines, gas transmission lines, and water and wastewater lines, for which only a detailed description of the site is required; and
 - (c) Appropriately scaled site plan drawings of the proposed utility facility, vicinity maps and routing maps.
2. A description of the proposed utility facility, including:
 - (a) The size and nature of the proposed utility facility;
 - (b) The natural resources that will be used during the construction and operation of the proposed utility facility;
 - (c) Layout diagrams of the proposed utility facility and its associated equipment;
 - (d) Scaled diagrams of the structures at the proposed utility facility; and
 - (e) A statement concerning whether the proposed utility facility is an electric generating plant or the associated facilities of an electric generating plant that uses renewable energy as its primary source of energy to generate electricity.
3. A copy and summary of any studies which have been made of the environmental impact of the proposed utility facility as required by subsection 1 of [NRS 704.870](#).

4. A description of any reasonable alternate locations for the proposed utility facility, a description of the comparative merits or detriments of each location submitted, and a statement of the reasons why the location is best suited for the proposed utility facility, as required by subsection 1 of [NRS 704.870](#).

5. A copy of the public notice of the application and proof of the publication of the public notice, as required by subsection 4 of [NRS 704.870](#).

6. Proof that a copy of the application has been submitted to the Nevada State Clearinghouse within the State Department of Conservation and Natural Resources.

7. An explanation of the nature of the probable effect on the environment, including:

(a) A reference to any studies described in subsection 3, if applicable; and

(b) An environmental statement that includes:

(1) The name, qualifications, professions and contact information of each person with primary responsibility for the preparation of the environmental statement;

(2) The name, qualifications, professions and contact information of each person who has provided comments or input in the preparation of the environmental statement;

(3) A bibliography of materials used in the preparation of the environmental statement; and

(4) A description of:

(I) The environmental characteristics of the project area existing at the time the application is filed with the Commission;

(II) The environmental impacts that the construction and operation of the proposed utility facility will have on the project area before mitigation; and

(III) The environmental impacts that the construction and operation of the proposed utility facility will have on the project area after mitigation.

→ The data and analyses in the descriptions must be commensurate with the degree of the anticipated impacts.

8. Unless, pursuant to paragraph (b) of subsection 1 of [NRS 704.890](#), the proposed utility facility is exempt from the requirement that the Commission find and determine the extent to which the proposed utility facility is needed to ensure reliable utility service to customers in this State, an explanation of the extent to which the proposed utility facility is needed to ensure reliable utility service to customers in this State, including:

(a) If the proposed utility facility was approved in a resource plan or an amendment to a resource plan, a reference to the previous approval by the Commission; or

(b) If the proposed utility facility was not approved in a resource plan or an amendment to a resource plan, a description of the extent to which the proposed utility facility will:

(1) Provide utility service to customers in this State;

(2) Enhance the reliability of utility service in this State; and

(3) Achieve interstate benefits by the proposed construction or modification of transmission facilities in this State, if applicable.

9. An explanation of how the need for the proposed utility facility as described in subsection 8 balances any adverse effects on the environment as described in subsection 7.

10. An explanation of how the proposed utility facility represents the minimum adverse effect on the environment, including:

(a) The state of available technology;

(b) The nature of various alternatives; and

(c) The economics of various alternatives.

11. An explanation of how the location of the proposed utility facility conforms to applicable state and local laws and regulations, including a list of all permits, licenses and approvals required by federal, state and local statutes, regulations and ordinances. The explanation must include a list that indicates:

(a) All permits, licenses and approvals the applicant has obtained, including copies thereof; and
(b) All permits, licenses and approvals the applicant is in the process of obtaining to commence construction of the proposed utility facility. The applicant must provide an estimated timeline for obtaining these permits, licenses and approvals.

12. An explanation of how the proposed utility facility will serve the public interest, including:

(a) The economic benefits that the proposed utility facility will bring to the applicant and this State;
(b) The nature of the probable effect on the environment in this State if the proposed utility facility is constructed;

(c) The nature of the probable effect on the public health, safety and welfare of the residents of this State if the proposed utility facility is constructed; and

(d) The interstate benefits expected to be achieved by the proposed electric transmission facility in this State, if applicable.

(Added to NAC by Pub. Utilities Comm'n by R076-07, eff. 10-31-2007; A by R001-10, 4-20-2010; R072-13, 12-23-2013)