

SENATE BILL NO. 416—SENATOR HARDY

MARCH 17, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Makes various changes regarding the use of decommissioned power plant sites. (BDR 58-236)

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

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

AN ACT relating to public utilities; requiring an electric utility to identify certain nonproductive assets as surplus; authorizing the Public Utilities Commission of Nevada to classify certain nonproductive electric utility assets as surplus; requiring an electric utility to create a timely plan for the decommissioning and disposal of surplus assets; providing that such assets not disposed of in a timely manner shall be removed from the responsibility of the utility’s customers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes a public utility to recover the operational costs of all
2 assets from its customers through the payment of rates for utility services. (NRS
3 704.110) **Section 10** of this bill requires all electric utilities to provide the Public
4 Utilities Commission of Nevada with a list of certain assets and to identify those
5 assets which are not being used or reasonably planned for future use in generating
6 electricity as surplus. **Section 11** of this bill authorizes the Commission to identify
7 certain nonproductive assets of an electric utility as not reasonably held for future
8 use in generating electricity as surplus. **Section 12** of this bill requires an electric
9 utility to create and execute a plan for the timely cleanup and disposal of surplus
10 assets. **Section 13** of this bill provides that those assets not disposed of in a timely
11 manner pursuant to such a plan will be removed from the responsibility of the
12 utility’s customers. **Section 12** provides that the reasonable costs of
13 decommissioning and disposing of surplus assets may be charged to the utility’s
14 customers. **Section 15** of this bill authorizes the Division of Environmental
15 Protection of the State Department of Conservation and Natural Resources to
16 oversee the decommissioning of surplus electric utility assets. **Section 17** of this
17 bill requires the Governor’s Office of Economic Development to assist an electric



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18 utility with the marketing of vacant or decommissioned assets for sale and
19 redevelopment.

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

1 **Section 1.** Chapter 704 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 13, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 13, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 3 to 9, inclusive, of this act have the meanings ascribed*
7 *to them in those sections.*

8 **Sec. 3.** *“Asset” has the meaning ascribed to the term*
9 *“generation asset” in NRS 704.7575 which contains 100 or more*
10 *contiguous acres, and of which all real and personal property,*
11 *including, without limitation, land, structures, equipment,*
12 *associated transmission lines and switching stations, are located*
13 *wholly or partially within this State.*

14 **Sec. 4.** *“Decommissioned” means a surplus asset on which*
15 *all operations have ceased and which has been cleared and*
16 *environmentally remediated as necessary and which is ready for*
17 *sale or disposal.*

18 **Sec. 5.** *“Electric utility” means any public utility that is in*
19 *the business, on lands within this State, as sole owner or co-owner,*
20 *and by means of electric power generation, transmission,*
21 *distribution, sales or service, to customers within or outside of this*
22 *state, and in the most recently completed calendar year or in any*
23 *other calendar year within the 7 calendar years immediately*
24 *preceding the most recently completed calendar year or the*
25 *calendar year in which operations were ceased, had a gross*
26 *operating revenue of \$250,000,000 or more in this State. The term*
27 *includes an electric utility as defined in NRS 704.7571.*

28 **Sec. 6.** *“Operational” means an asset which is actively*
29 *operating at or near full capacity, or at some reduced capacity in*
30 *conjunction with an emissions reduction and capacity replacement*
31 *plan pursuant to NRS 704.7316 or otherwise, but not at less than*
32 *10 percent of capacity.*

33 **Sec. 7.** *“Post-operational reserve” means an asset which was*
34 *formerly operational that is currently closed and out-of-service or*
35 *operating at less than 10 percent of capacity and held for future*
36 *energy generation.*

37 **Sec. 8.** *“Pre-operational reserve” means vacant land held for*
38 *future energy generation or property in planning or under*



1 *construction for future energy generation and intended for the*
2 *creation of a future asset.*

3 **Sec. 9.** *“Surplus” means an asset that is out-of-service and*
4 *no longer needed, suitable or reasonably intended to be used to*
5 *generate electricity.*

6 **Sec. 10.** *Each electric utility shall, on or before January 31*
7 *of each year, file with the Commission a list of all assets. The list*
8 *must:*

- 9 *1. Include a brief description of each asset;*
- 10 *2. Include the output capacity of each asset;*
- 11 *3. Classify each asset as operational, pre-operational reserve,*
12 *post-operational reserve, surplus or decommissioned; and*
- 13 *4. For each asset classified as pre-operational reserve or post-*
14 *operational reserve, include a statement in a form approved by the*
15 *Commission regarding the viability of the future use of the asset*
16 *for energy generation.*

17 **Sec. 11.** *For each asset classified by an electric utility as pre-*
18 *operational reserve or post-operational reserve pursuant to section*
19 *10 of this act, the Commission may, after notice and a hearing*
20 *pursuant to NRS 703.320, reclassify the asset as surplus if the*
21 *Commission determines that the asset is no longer being held in*
22 *the public trust and should not be considered in the determination*
23 *of rate.*

24 **Sec. 12.** *1. For each asset which has been classified as*
25 *surplus by an electric utility pursuant to section 10 of this act or by*
26 *the Commission pursuant to section 11 of this act, the electric*
27 *utility shall file a surplus asset retirement plan with the*
28 *Commission within 120 days after the asset has been classified as*
29 *surplus. Such a plan is subject to the approval of the Commission.*

30 *2. A surplus asset retirement plan must include:*

31 *(a) A brief description of the asset, including without*
32 *limitation, its generating capacity, its current condition and any*
33 *details regarding ownership.*

34 *(b) A plan for the decommissioning of the site, including*
35 *without limitation, the closure of any remaining operational*
36 *activities, the removal and disposal of any physical assets deemed*
37 *unsuitable for redevelopment and remediation, as determined by*
38 *the Division of Environmental Protection of the State Department*
39 *of Conservation and Natural Resources pursuant to NRS*
40 *704.7318, or, if decommissioning is underway or completed, a full*
41 *description of the decommissioning program.*

42 *(c) A plan for the valuation of the asset, including without*
43 *limitation, an accounting value for customer and shareholder*
44 *purposes, as determined by the Commission pursuant to*



1 *NRS 704.440 and a market value for disposition purposes as*
2 *determined by the electric utility.*

3 *(d) A marketing plan for the sale of the asset, prepared in*
4 *consultation with the Office of Economic Development, which*
5 *must disclose any environmental issues or other restrictions and*
6 *emphasize the value of the asset in its marketplace.*

7 *(e) A timeline for implementation of the plan, including*
8 *without limitation, key dates for completion of benchmarks*
9 *including a final sale date. To the extent reasonably possible, the*
10 *timeline must indicate a final sale date that is within 30 months*
11 *after commencement of the plan.*

12 *3. Reasonable costs related to the decommissioning,*
13 *marketing and sale or disposal of a surplus asset may be charged*
14 *to the electric utility's customers pursuant to subsection 13 of*
15 *NRS 704.110.*

16 **Sec. 13.** *1. Except as otherwise provided in subsection 2, an*
17 *asset must be removed from the responsibility of the electric*
18 *utility's customers after the asset is sold or after the projected final*
19 *sale date indicated in the surplus asset retirement plan pursuant to*
20 *section 12 of this act, whichever occurs first, regardless of whether*
21 *the asset has actually been sold.*

22 *2. The Commission may, for good cause, extend the projected*
23 *final sale date included in the surplus asset retirement plan*
24 *pursuant to section 12 of this act.*

25 *3. Any surplus asset, or portion thereof, that is deemed to*
26 *have no market value or is not transferable due to environmental*
27 *damage or other reasons must not be included in determining*
28 *rates.*

29 **Sec. 14.** NRS 704.110 is hereby amended to read as follows:

30 704.110 Except as otherwise provided in NRS 704.075 and
31 704.68861 to 704.68887, inclusive, or as may otherwise be provided
32 by the Commission pursuant to NRS 704.095 or 704.097:

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

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



1 approving or disapproving, in whole or in part, the proposed
2 changes.

3 3. If a public utility files with the Commission a general rate
4 application, the public utility shall submit with its application a
5 statement showing the recorded results of revenues, expenses,
6 investments and costs of capital for its most recent 12 months for
7 which data were available when the application was prepared.
8 Except as otherwise provided in subsection 4, in determining
9 whether to approve or disapprove any increased rates, the
10 Commission shall consider evidence in support of the increased
11 rates based upon actual recorded results of operations for the same
12 12 months, adjusted for increased revenues, any increased
13 investment in facilities, increased expenses for depreciation, certain
14 other operating expenses as approved by the Commission and
15 changes in the costs of securities which are known and are
16 measurable with reasonable accuracy at the time of filing and which
17 will become effective within 6 months after the last month of those
18 12 months, but the public utility shall not place into effect any
19 increased rates until the changes have been experienced and
20 certified by the public utility to the Commission and the
21 Commission has approved the increased rates. The Commission
22 shall also consider evidence supporting expenses for depreciation,
23 calculated on an annual basis, applicable to major components of the
24 public utility's plant placed into service during the recorded test
25 period or the period for certification as set forth in the application.
26 Adjustments to revenues, operating expenses and costs of securities
27 must be calculated on an annual basis. Within 90 days after the date
28 on which the certification required by this subsection is filed with
29 the Commission, or within the period set forth in subsection 2,
30 whichever time is longer, the Commission shall make such order in
31 reference to the increased rates as is required by this chapter. The
32 following public utilities shall each file a general rate application
33 pursuant to this subsection based on the following schedule:

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

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

42 (c) A public utility that furnishes water for municipal, industrial
43 or domestic purposes or services for the disposal of sewage, or both,
44 which had an annual gross operating revenue of \$2,000,000 or more
45 for at least 1 year during the immediately preceding 3 years and



1 which had not filed a general rate application with the Commission
2 on or after July 1, 2005, shall file a general rate application on or
3 before June 30, 2008, and at least once every 36 months thereafter
4 unless waived by the Commission pursuant to standards adopted by
5 regulation of the Commission. If a public utility furnishes both
6 water and services for the disposal of sewage, its annual gross
7 operating revenue for each service must be considered separately for
8 determining whether the public utility meets the requirements of this
9 paragraph for either service.

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

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

28 4. In addition to submitting the statement required pursuant to
29 subsection 3, a public utility may submit with its general rate
30 application a statement showing the effects, on an annualized basis,
31 of all expected changes in circumstances. If such a statement is
32 filed, it must include all increases and decreases in revenue and
33 expenses which may occur within 210 days after the date on which
34 its general rate application is filed with the Commission if such
35 expected changes in circumstances are reasonably known and are
36 measurable with reasonable accuracy. If a public utility submits
37 such a statement, the public utility has the burden of proving that the
38 expected changes in circumstances set forth in the statement are
39 reasonably known and are measurable with reasonable accuracy.
40 The Commission shall consider expected changes in circumstances
41 to be reasonably known and measurable with reasonable accuracy if
42 the expected changes in circumstances consist of specific and
43 identifiable events or programs rather than general trends, patterns
44 or developments, have an objectively high probability of occurring
45 to the degree, in the amount and at the time expected, are primarily



1 measurable by recorded or verifiable revenues and expenses and are
2 easily and objectively calculated, with the calculation of the
3 expected changes relying only secondarily on estimates, forecasts,
4 projections or budgets. If the Commission determines that the public
5 utility has met its burden of proof:

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

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

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

21 6. If a public utility files with the Commission a general rate
22 application, the public utility shall not file with the Commission
23 another general rate application until all pending general rate
24 applications filed by that public utility have been decided by the
25 Commission unless, after application and hearing, the Commission
26 determines that a substantial financial emergency would exist if the
27 public utility is not permitted to file another general rate application
28 sooner. The provisions of this subsection do not prohibit the public
29 utility from filing with the Commission, while a general rate
30 application is pending, an application to recover the increased cost
31 of purchased fuel, purchased power, or natural gas purchased for
32 resale pursuant to subsection 7, a quarterly rate adjustment pursuant
33 to subsection 8 or 10, any information relating to deferred
34 accounting requirements pursuant to NRS 704.185 or an annual
35 deferred energy accounting adjustment application pursuant to NRS
36 704.187, if the public utility is otherwise authorized to so file by
37 those provisions.

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

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

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



1 8. A public utility which purchases natural gas for resale must
2 request approval from the Commission to adjust its rates on a
3 quarterly basis between annual rate adjustment applications based
4 on changes in the public utility's recorded costs of natural gas
5 purchased for resale. A public utility which purchases natural gas
6 for resale and which adjusts its rates on a quarterly basis may
7 request approval from the Commission to make quarterly
8 adjustments to its deferred energy accounting adjustment. The
9 Commission shall approve or deny such a request not later than 120
10 days after the application is filed with the Commission. The
11 Commission may approve the request if the Commission finds that
12 approval of the request is in the public interest. If the Commission
13 approves a request to make quarterly adjustments to the deferred
14 energy accounting adjustment of a public utility pursuant to this
15 subsection, any quarterly adjustment to the deferred energy
16 accounting adjustment must not exceed 2.5 cents per therm of
17 natural gas. If the balance of the public utility's deferred account
18 varies by less than 5 percent from the public utility's annual
19 recorded costs of natural gas which are used to calculate quarterly
20 rate adjustments, the deferred energy accounting adjustment must be
21 set to zero cents per therm of natural gas.

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

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

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

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

40 (2) Must include the following:

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



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

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

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

12 (V) Any other information required by the Commission.

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

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

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

35 10. An electric utility shall adjust its rates on a quarterly basis
36 based on changes in the electric utility's recorded costs of purchased
37 fuel or purchased power. In addition to adjusting its rates on a
38 quarterly basis, an electric utility may request approval from the
39 Commission to make quarterly adjustments to its deferred energy
40 accounting adjustment. The Commission shall approve or deny such
41 a request not later than 120 days after the application is filed with
42 the Commission. The Commission may approve the request if the
43 Commission finds that approval of the request is in the public
44 interest. If the Commission approves a request to make quarterly
45 adjustments to the deferred energy accounting adjustment of an



1 electric utility pursuant to this subsection, any quarterly adjustment
2 to the deferred energy accounting adjustment must not exceed 0.25
3 cents per kilowatt-hour of electricity. If the balance of the electric
4 utility's deferred account varies by less than 5 percent from the
5 electric utility's annual recorded costs for purchased fuel or
6 purchased power which are used to calculate quarterly rate
7 adjustments, the deferred energy accounting adjustment must be set
8 to zero cents per kilowatt-hour of electricity.

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

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

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

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

34 (2) Must include the following:

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

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

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

44 (IV) A statement that the transactions and recorded costs
45 of purchased fuel or purchased power which are the basis for any



1 quarterly rate adjustment will be reviewed for reasonableness and
2 prudence in the next proceeding held by the Commission to review
3 the annual deferred energy accounting adjustment application
4 pursuant to paragraph (d); and

5 (V) Any other information required by the Commission.

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

12 (d) The proceeding regarding the annual deferred energy
13 accounting adjustment application must include a review of each
14 quarterly rate adjustment and the transactions and recorded costs of
15 purchased fuel and purchased power included in each quarterly
16 filing and the annual deferred energy accounting adjustment
17 application. There is no presumption of reasonableness or prudence
18 for any quarterly rate adjustment or for any transactions or recorded
19 costs of purchased fuel and purchased power included in any
20 quarterly rate adjustment or the annual deferred energy accounting
21 adjustment application, and the electric utility has the burden of
22 proving reasonableness and prudence in the proceeding.

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

32 12. If an electric utility files an annual deferred energy
33 accounting adjustment application pursuant to subsection 11 and
34 NRS 704.187 while a general rate application is pending, the
35 electric utility shall:

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

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

42 13. A utility facility identified in a 3-year plan submitted
43 pursuant to NRS 704.741 and accepted by the Commission for
44 acquisition or construction pursuant to NRS 704.751 and the
45 regulations adopted pursuant thereto, ~~for~~ the retirement or



1 elimination of a utility facility identified in an emissions reduction
2 and capacity replacement plan submitted pursuant to NRS 704.7316
3 and accepted by the Commission for retirement or elimination
4 pursuant to NRS 704.751 and the regulations adopted pursuant
5 thereto, *or the sale or disposal of a surplus asset pursuant to*
6 *section 12 of this act*, shall be deemed to be a prudent investment.
7 The utility may recover all just and reasonable costs of planning and
8 constructing, or retiring or eliminating, as applicable, such a facility.

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

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

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

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

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

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

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

34 17. As used in this section:

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

41 (b) "Electric utility" has the meaning ascribed to it in
42 NRS 704.187.

43 (c) "Electric utility that primarily serves densely populated
44 counties" means an electric utility that, with regard to the provision
45 of electric service, derives more of its annual gross operating



1 revenue in this State from customers located in counties whose
2 population is 700,000 or more than it does from customers located
3 in counties whose population is less than 700,000.

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

10 (e) *"Surplus" has the meaning ascribed to it in section 9 of*
11 *this act.*

12 **Sec. 15.** NRS 704.7318 is hereby amended to read as follows:

13 704.7318 1. To ensure the remediation and, when possible,
14 the reuse of any site used for the production of electricity from a
15 coal-fired electric generating plant, *natural gas electric generating*
16 *plant or renewable energy facility* in this State, the Division of
17 Environmental Protection of the State Department of Conservation
18 and Natural Resources has exclusive jurisdiction to supervise and
19 regulate the remediation of such sites, including, without limitation,
20 exclusive authority to regulate and supervise the remediation of
21 surface water and groundwater and solid-waste disposal operations
22 located at such a site.

23 2. The Division of Environmental Protection has exclusive
24 authority to regulate emissions from any electric generating plant
25 constructed on a site previously used for the production of
26 electricity from a coal-fired electric generating plant.

27 **Sec. 16.** NRS 704.7588 is hereby amended to read as follows:

28 704.7588 Except as otherwise provided in NRS 704.7311 to
29 704.7322, inclusive, and 704.7591 ~~+~~ *and section 12 of this act:*

30 1. Before July 1, 2003, an electric utility shall not dispose of a
31 generation asset.

32 2. On or after July 1, 2003, an electric utility shall not dispose
33 of a generation asset unless, before the disposal, the Commission
34 approves the disposal by a written order issued in accordance with
35 the provisions of this section.

36 3. Not sooner than January 1, 2003, an electric utility may file
37 with the Commission an application to dispose of a generation asset
38 on or after July 1, 2003. If an electric utility files such an
39 application, the Commission shall not approve the application
40 unless the Commission finds that the disposal of the generation asset
41 will be in the public interest. The Commission shall issue a written
42 order approving or disapproving the application. The Commission
43 may base its approval of the application upon such terms, conditions
44 or modifications as the Commission deems appropriate.



1 4. If an electric utility files an application to dispose of a
2 generation asset, the Consumer's Advocate shall be deemed a party
3 of record.

4 5. If the Commission approves an application to dispose of a
5 generation asset before July 1, 2003, the order of the Commission
6 approving the application:

7 (a) May not become effective sooner than July 1, 2003;

8 (b) Does not create any vested rights before the effective date of
9 the order; and

10 (c) For the purposes of NRS 703.373, shall be deemed a final
11 decision on the date on which the order is issued by the
12 Commission.

13 **Sec. 17.** NRS 231.055 is hereby amended to read as follows:

14 231.055 Under the direction of the Executive Director, the
15 Office:

16 1. Shall provide administrative and technical support to the
17 Board.

18 2. Shall support the efforts of the Board, the regional
19 development authorities designated by the Executive Director
20 pursuant to subsection 4 of NRS 231.053 and the private sector to
21 encourage the creation and expansion of businesses in Nevada and
22 the relocation of businesses to Nevada.

23 3. Shall coordinate and oversee all economic development
24 programs in this State to ensure that such programs are consistent
25 with the State Plan for Economic Development developed by the
26 Executive Director pursuant to subsection 2 of NRS 231.053,
27 including, without limitation:

28 (a) Coordinating the economic development activities of
29 agencies of this State, local governments in this State and local and
30 regional organizations for economic development to avoid
31 duplication of effort or conflicting efforts;

32 (b) Working with local, state and federal authorities to
33 streamline the process for obtaining abatements, financial
34 incentives, grants, loans and all necessary permits and licenses for
35 the creation or expansion of businesses in Nevada or the relocation
36 of businesses to Nevada; and

37 (c) Reviewing, analyzing and making recommendations for the
38 approval or disapproval of applications for abatements, financial
39 incentives, development resources, and grants and loans of money
40 provided by the Office.

41 4. *Shall, upon request, assist a public utility with the*
42 *marketing of vacant or decommissioned assets for sale and*
43 *redevelopment pursuant to section 12 of this act.*

44 5. May:



1 (a) Participate in any federal programs for economic
2 development that are consistent with the State Plan for Economic
3 Development developed by the Executive Director pursuant to
4 subsection 2 of NRS 231.053; and

5 (b) When practicable and authorized by federal law, act as the
6 agency of this State to administer such federal programs.

⑩



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