

SENATE BILL NO. 18—COMMITTEE ON
GROWTH AND INFRASTRUCTURE

(ON BEHALF OF THE PUBLIC UTILITIES
COMMISSION OF NEVADA)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions governing penalties for certain violations relating to public utilities. (BDR 58-277)

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

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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; increasing the maximum amount of administrative fines that the Public Utilities Commission of Nevada is authorized to assess for certain violations relating to public utilities; authorizing the Commission to assess an administrative fine on a person who provides inaccurate or misleading information to the Commission under certain circumstances; increasing criminal penalties for certain violations relating to public utilities; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Under existing law, a person who violates a regulation adopted by the Public
- 2 Utilities Commission of Nevada relating to the operation and maintenance of
- 3 storage facilities and intrastate pipelines used to store and transport natural gas or
- 4 liquefied petroleum gas is liable for an administrative fine not to exceed \$1,000 per
- 5 day for each day of the violation, up to a maximum of \$200,000 for any related
- 6 series of violations. (NRS 703.154) **Section 1** of this bill increases this maximum
- 7 administrative fine to \$100,000 per day for each day of the violation, up to a
- 8 maximum of \$20,000,000 for any related series of violations.
- 9 Under existing law, a person is liable for an administrative fine to be assessed
- 10 by the Commission if the person: (1) violates certain provisions relating to public
- 11 utilities; (2) violates any rule or regulation of the Commission; or (3) fails, neglects
- 12 or refuses to obey an order of the Commission. (NRS 703.380) **Section 2** of this bill
- 13 increases the maximum administrative fine for such violations from \$1,000 per day



14 for each day of the violation not to exceed \$100,000 for any related series of
15 violations to \$100,000 per day for each day of the violation not to exceed
16 \$10,000,000 for any related series of violations. **Section 2** authorizes the
17 Commission to also assess an administrative fine in that increased maximum
18 amount if a person provides to the Commission information which is inaccurate or
19 misleading and which the person knew or should have known was inaccurate or
20 misleading.

21 **Section 3** of this bill increases the maximum amount of a criminal fine that
22 may be imposed on a person who commits certain violations relating to public
23 utilities from \$500 to \$50,000. (NRS 704.640)

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

1 **Section 1.** NRS 703.154 is hereby amended to read as follows:

2 703.154 1. The Commission may adopt such regulations as
3 are necessary to ensure the safe operation and maintenance of all
4 storage facilities and intrastate pipelines in this State which are used
5 to store and transport natural gas, liquefied petroleum gas, in its
6 liquid or vapor form, or any mixture thereof. Regulations adopted
7 pursuant to this subsection do not apply to activities that are subject
8 to the provisions of NRS 590.465 to 590.645, inclusive, or chapter
9 704 of NRS.

10 2. If the Commission and any other governmental entity or
11 agency of the State have coexisting jurisdiction over the regulation
12 of such storage facilities and intrastate pipelines, the Commission
13 has the final authority to regulate those facilities and pipelines and
14 to take such actions as are necessary to carry out the regulations
15 adopted pursuant to subsection 1.

16 3. A person who violates any of the provisions of a regulation
17 adopted by the Commission pursuant to subsection 1 is liable for an
18 administrative fine not to exceed ~~[\$1,000]~~ **\$100,000** per day for each
19 day of the violation and not to exceed ~~[\$200,000]~~ **\$20,000,000** for
20 any related series of violations. The amount of the administrative
21 fine must be determined in the manner provided in NRS 703.380.

22 **Sec. 2.** NRS 703.380 is hereby amended to read as follows:

23 703.380 1. Unless another administrative fine is specifically
24 provided, a person, including, without limitation, a public utility,
25 alternative seller, provider of discretionary natural gas service,
26 provider of new electric resources or holder of any certificate of
27 registration, license or permit issued by the Commission, or any
28 officer, agent or employee of a public utility, alternative seller,
29 provider of discretionary natural gas service, provider of new
30 electric resources or holder of any certificate of registration, license
31 or permit issued by the Commission who:



1 (a) Violates any applicable provision of this chapter or chapter
2 704, 704B, 705 or 708 of NRS, including, without limitation, the
3 failure to pay any applicable tax, fee or assessment;

4 (b) Violates any rule or regulation of the Commission; ~~{or}~~

5 (c) Fails, neglects or refuses to obey any order of the
6 Commission or any order of a court requiring compliance with an
7 order of the Commission ~~{}~~; *or*

8 *(d) Provides to the Commission information which is*
9 *inaccurate or misleading and which the person knew or should*
10 *have known was inaccurate or misleading,*

11 *↪ is liable for an administrative fine, to be assessed by the*
12 *Commission after notice and the opportunity for a hearing, in an*
13 *amount not to exceed ~~[\$1,000] \$100,000~~ per day for each day of the*
14 *violation and not to exceed ~~[\$100,000] \$10,000,000~~ for any related*
15 *series of violations.*

16 2. In determining the amount of the administrative fine, the
17 Commission shall consider the appropriateness of the fine to the size
18 of the business of the person charged, the gravity of the violation,
19 the good faith of the person charged in attempting to achieve
20 compliance after notification of a violation and any repeated
21 violations committed by the person charged.

22 3. An administrative fine assessed pursuant to this section is
23 not a cost of service of a public utility and may not be included in
24 any new application by a public utility for a rate adjustment or rate
25 increase.

26 4. All money collected by the Commission as an administrative
27 fine pursuant to this section must be deposited in the State General
28 Fund.

29 5. The Commission may bring an appropriate action in its own
30 name for the collection of any administrative fine that is assessed
31 pursuant to this section. A court shall award costs and reasonable
32 attorney's fees to the prevailing party in an action brought pursuant
33 to this subsection.

34 6. The administrative fine prescribed by this section is in
35 addition to any other remedies, other than a monetary fine, provided
36 by law, including, without limitation, the authority of the
37 Commission to revoke a certificate of public convenience and
38 necessity, license or permit pursuant to NRS 703.377.

39 **Sec. 3.** NRS 704.640 is hereby amended to read as follows:

40 704.640 Except as otherwise provided in NRS 704.6881 to
41 704.6884, inclusive, any person who:

42 1. Operates any public utility to which NRS 704.005 to
43 704.754, inclusive, 704.9901 and 704.993 to 704.999, inclusive,
44 apply without first obtaining a certificate of public convenience and
45 necessity or in violation of its terms;



1 2. Fails to make any return or report required by NRS 704.005
2 to 704.754, inclusive, 704.9901 and 704.993 to 704.999, inclusive,
3 or by the Commission pursuant to NRS 704.005 to 704.754,
4 inclusive, 704.9901 and 704.993 to 704.999, inclusive;

5 3. Violates, or procures, aids or abets the violating of any
6 provision of NRS 704.005 to 704.754, inclusive, 704.9901 and
7 704.993 to 704.999, inclusive;

8 4. Fails to obey any order, decision or regulation of the
9 Commission;

10 5. Procures, aids or abets any person in the failure to obey the
11 order, decision or regulation; or

12 6. Advertises, solicits, proffers bids or otherwise holds himself,
13 herself or itself out to perform as a public utility in violation of any
14 of the provisions of NRS 704.005 to 704.754, inclusive, 704.9901
15 and 704.993 to 704.999, inclusive,

16 ↪ shall be fined not more than ~~[\$500.]~~ **\$50,000.**

17 **Sec. 4.** This act becomes effective on July 1, 2021.

