

# AN OVERVIEW OF NEVADA PUBLIC UTILITY

## CONSUMER PROTECTION

BY MICHAEL SAUNDERS, ESQ.



It is an inevitable monthly ritual. You receive your utility bills in the mail.<sup>1</sup> You may grumble about the bills being too high and/or perhaps too confusing given their acronym and jargon-laden nature. What you may not realize is that **beyond the four corners of your utility bill there are considerable consumer protections in place to help ensure that public utility consumers are provided safe, reliable service at just and reasonable rates.**

### Nevada PUC

Any discussion of public utility-related consumer protection should start first with the Nevada's public utility rate-setting agency, the Public

Utilities Commission of Nevada (PUC or commission). Pursuant to Nevada Revised Statute (NRS) 704.001, the PUC's role is:

*... To provide for fair and impartial regulation of public utilities. To provide for the safe, economic, efficient, prudent and reliable operation and service of public utilities. To balance the interests of customers and shareholders of public utilities by providing public utilities with the opportunity to earn a fair return on their investments while providing customers with just and reasonable rates. ...<sup>2</sup>*

As shown above, the PUC's key statutory duties include balancing the interests of public utility shareholders

with those of customers and providing customers with just and reasonable rates. In performing its rate-setting and utility oversight duties, the PUC operates as a surrogate for economic competition with respect to investor-owned utility monopolies. Essentially, the PUC acts as a check on the monopoly power of the regulated utilities. But for the PUC and its staff, your utility bills would likely be higher. In Nevada, the major investor-owned regulated utilities include Nevada Power Company (d/b/a NV Energy), Sierra Pacific Power Company (d/b/a NV Energy) and Southwest Gas Corporation. Not all utilities are regulated by the PUC. It regulates only investor-owned public utilities that fall within the scope of NRS 704.020. The PUC does not regulate municipal utilities, internet, cable or satellite television, cell phone or trash collection service, and it has only limited authority over utility cooperatives and telecommunications companies.<sup>3</sup>

PUC proceedings include contested cases<sup>4</sup> governed by Nevada's Administrative Procedures Act (APA) (NRS Chapter 233B) in which parties<sup>5</sup> to cases present evidence before a commissioner or hearing officer. Individual consumers, who are not parties, can make their concerns known in contested cases by filing written comments with the PUC under Nevada Administrative Code (NAC) 703.491. In addition to contested cases, the PUC also holds investigatory and rulemaking proceedings in addition to its regular agenda meetings governed by the Open Meeting Law (OML) (NRS Chapter 241) where the appointed commissioners deliberate and vote on various utility matters.

To hear from consumers directly, the PUC also holds case-specific consumer sessions and general consumer sessions, pursuant to NRS 704.069, in which consumers may appear in person and be heard. These sessions provide consumers with the ability to comment as to certain pending utility matters, such as utility rate increase requests, as well as to provide general comment regarding their utility bills and service.

## BCP

With respect to utility-related consumer protection, one central party to the PUC proceedings mentioned above is the Nevada Attorney General's Bureau of Consumer Protection (BCP).<sup>6</sup> The BCP, which was legislatively established in 1981, has its statutory basis in NRS Chapter 228 and is headed by the State's Consumer Advocate, who is appointed by the Attorney General.

Pursuant to NRS 228.360, the BCP participates as a matter of right in PUC matters and has the right to examine the books and records of any public utility subject to the PUC's jurisdiction. In addition to handling utility-related matters, the BCP also handles matters involving deceptive trade under NRS Chapter 598 and antitrust issues under NRS Chapter 598A and federal antitrust statutes.

Utility regulation is a complex field and involves many disciplines including finance, economics, accounting, engineering and, of course, the law. As such, the BCP has a variety of in-house personnel and outside experts who are knowledgeable in those fields to help conduct discovery, prepare testimony<sup>7</sup>, and ultimately present its testimony and recommendations to the PUC. When appearing before the PUC in its pending

matters, the BCP advocates for the collective interests of regulated utility customers, principally those of residential and small-commercial customers. Through its advocacy, the BCP helps protect the public interest and ensure reliable utility service at the lowest reasonable cost on behalf of Nevada utility customers. In the event that an appeal of a PUC decision is necessary in order to protect utility consumer interests, the BCP has the ability to seek judicial review of PUC decisions under NRS 703.373.

## PUC Consumer Complaint Resolution Division

While the BCP advocates on behalf of the collective interests of utility customers, there are ways for individual customers of regulated utilities to address issues concerning their utility bills and services. Of course, one such way is by first contacting the utility itself. Regulated utilities typically maintain experienced customer service departments that can assist consumers directly. Another way consumers may address such issues is by contacting the PUC's Consumer Complaint Resolution Division that assists consumers with issues pertaining to their regulated utility services.<sup>8</sup> If an issue is not able to be resolved to a consumer's satisfaction, individual consumers also have the ability to file complaints under NAC 703.621. If there is probable cause for the complaint, then the complaint may be heard by the commission under NAC 703.646.

## Consumer Bill of Rights

Lastly, no discussion of public utility-related consumer protection would be complete without mention of what is known as the utility Consumer's Bill of Rights, which is a fundamental way in which utility consumer interests are protected under the law. The provisions of the utility Consumer's Bill of Rights are located at NAC 704.302-421 and have sections pertaining to electric, gas, water and telephone services. The Consumer Bill of Rights underscores the essential nature of those utility services by providing vital consumer protections such as eliminating the requirement for deposits for some customers (i.e. NAC 704.329 and NAC 704.4085) and prohibiting termination of service in certain circumstances, such as extreme weather (i.e. NAC 704.375 and NAC 704.3934). The Consumer Bill of Rights also has important protections

specifically for vulnerable populations, such as elderly and disabled consumers.

In conclusion, this article has provided an overview of the state-level consumer protections at work that help ensure you receive safe, reliable utility service at just and reasonable rates, including the PUC, BCP, PUC's Consumer Complaint Resolution Division and utility Consumer Bill of Rights. So, next time you receive a utility bill in the mail, though you may still have the urge to grumble about the bill, you will now at least be able to rest a little easier knowing there are many safeguards operating in the background to protect your interests as a public utility consumer.

1. This article pertains solely to those utilities regulated by the Public Utilities Commission of Nevada (<https://www.pucn.nv.gov>) as defined in NRS 704.020 and focuses on state-level consumer protections.
2. NRS 704.001.
3. [http://puc.nv.gov/Consumers/Be\\_Informed/PUCN\\_Regulated\\_Uilities/](http://puc.nv.gov/Consumers/Be_Informed/PUCN_Regulated_Uilities/)
4. NRS 233B.032 defines "Contested case" as "a proceeding, including but not restricted to rate making and licensing, in which the legal rights, duties or privileges of a party are required by law to be determined by an agency after an opportunity for hearing, or in which an administrative penalty may be imposed."
5. See NAC 703.578 to 600 for the standards for being granted party status in contested cases. Generally, individual consumers are not granted party (intervener) status by the PUC in contested cases, since the Bureau of Consumer Protection (discussed later in the article) represents the collective interests of consumers.
6. [http://ag.nv.gov/About/Consumer\\_Protection/Bureau\\_of\\_Consumer\\_Protection/](http://ag.nv.gov/About/Consumer_Protection/Bureau_of_Consumer_Protection/)
7. Pre-filed written testimony is provided for in PUC proceedings.
8. The Division's contact information is as follows: Northern Nevada (775) 684-6100 or Southern Nevada (702) 486-2600. For additional information, see [http://puc.nv.gov/FAQ/Resolving\\_Disputes/](http://puc.nv.gov/FAQ/Resolving_Disputes/)

### MICHAEL SAUNDERS

is a senior deputy attorney general with the Nevada Attorney General's Bureau of Consumer Protection. He represents the public interest in cases involving the rates and services of electric, natural gas, telecommunications and water companies before the Public Utilities Commission of Nevada.

