

**PUBLIC UTILITIES COMMISSION OF NEVADA
MEMORANDUM**

DATE: October 9, 2026

TO: Commissioners

FROM: Office of General Counsel (LT)

RE: Agenda 19-26; Item No. 3A; Docket No. 26-07006: Petition of the Regulatory Operations Staff for an Advisory Opinion or Declaratory Order as to whether Parr-Reno Water Company is required to have a certificate of public convenience and necessity on file with the Commission to continue water operations in the State of Nevada pursuant to NRS 704.330(1).

INTRODUCTION

On July 13, 2026, the Regulatory Operations Staff (“Staff”) of the Public Utilities Commission of Nevada (“Commission”) filed a petition, designated as Docket No. 26-07006, requesting that the Commission issue a declaratory order or advisory opinion pursuant to Nevada Administrative Code (“NAC”) 703.825 confirming that Parr-Reno Water Company (“Parr-Reno”) is required to obtain a certificate of public convenience and necessity (“CPC”) pursuant to Nevada Revised Statute (“NRS”) 704.330(1).

On August 25, 2026, Staff filed an amended petition to correct its proof of service, which had omitted counsel for Parr-Reno and listed an incorrect electronic mail address for Parr-Reno’s President. Staff’s cover letter requests that the amended petition be re-noticed so that Parr-Reno is afforded an opportunity to comment. No other amendments were made to the original petition.

On August 27, 2026, Parr-Reno filed comments to the amended petition, or in the alternative, a petition for leave to intervene, supported by the declaration of Guy Packer and correspondence from the Truckee Meadows Water Authority (“TMWA”).

SUMMARY

The Commission’s Office of General Counsel (“General Counsel”) recommends that the Commission set the amended petition for further proceedings pursuant to NAC 703.540(3) and NAC 703.825(2); grant Parr-Reno leave to intervene; and direct the presiding officer to issue a procedural order establishing a schedule for the development of a factual record and supplemental briefing on the issues identified in this memorandum, including the application of NRS 704.673, 704.675, and 704.677, which neither Staff nor Parr-Reno has addressed. General Counsel does not recommend a disposition on the merits at this time.

BACKGROUND

Staff's Amended Petition

Staff states that Parr-Reno is a cooperative, member-owned water utility that provides water service to twenty-four connections in an industrial and warehouse area of northwest Reno, Washoe County, through a TMWA master meter. (Amended Petition at 1.) Staff states that the Parr-Reno service area is surrounded by TMWA's service territory. (*Id.*)

Staff states that Parr-Reno's gross sales for water service were approximately \$85,913 in the preceding 12 months. (*Id.* at 1-2.) Staff's supporting workpaper derives that figure from TMWA's billings to Parr-Reno. (*Id.*, Ex. 1.) Staff notes that Parr-Reno also charges its members a management fee for administration and repairs, but that Staff does not have access to those amounts. (*Id.* at 2 n.1.) Staff also states that Parr-Reno has provided water service to its members since 1956, citing a 2012 TMWA publication listing local water purveyors. (*Id.* at 2 & n.3, Ex. 2.)

On February 10, 2021, Staff sent Parr-Reno a letter stating Staff's position that Parr-Reno is a public utility not exempted by NRS 704.021 and must apply for a CPC. (*Id.*, Ex. 4.) Staff states that it deferred pursuing a CPC application until Parr-Reno completed permitting with the Nevada Division of Environmental Protection, that Parr-Reno did not file an application in the following three years, and that at a February 3, 2026 meeting Parr-Reno took the position that it is excluded from the definition of a public utility by NRS 704.021(3). (*Id.* at 2.)

Staff argues that Parr-Reno furnishes water for business within the meaning of NRS 704.020(2) and is not excluded by NRS 704.021(2) because, although it serves fewer than 25 persons, its gross sales exceed \$25,000. (*Id.* at 4.) Staff further argues that NRS 704.021(3) does not apply because (1) the 1997 legislative history of that subsection indicates that it was intended to clarify that providers of only occasional water service are not jurisdictional, and Parr-Reno's sales are not occasional; (2) reading the subsection to exclude any cooperative that serves only its members would produce an absurd result that would exempt every member-only water cooperative; and (3) the phrase "[p]ersons not otherwise engaged" in the water business does not describe Parr-Reno, whose entire business is the provision of water service. (*Id.* at 4-5 & nn.10-12.)

Parr-Reno's Comments

Parr-Reno states that it is a Nevada non-profit cooperative corporation without stock, formed in 1971 to build and maintain water infrastructure for fire hydrants, fire sprinklers, and other business uses within the Parr-Reno Industrial Park, which was developed in or about 1968. (Comments at 1-2; Packer Decl. ¶¶ 3-6.) Parr-Reno disputes Staff's statement that it has provided water service since 1956. (Comments at 2 n.2.) Parr-Reno states that membership is limited to owners of commercial property within the Industrial Park, that there are no residential members, and that it has never provided water to anyone other than its members and does not intend to do so. (*Id.* at 2; Packer Decl. ¶¶ 5, 7-9.)

Parr-Reno states that it purchases water from TMWA and bills its members, on a pro-rata basis according to usage, for the cost of that water and for infrastructure maintenance, repair, and operating costs; that it does not operate for profit; and that those payments are cost recoupment rather than “sales.” (Comments at 2; Packer Decl. ¶¶ 11-12.) Parr-Reno states that its members have no other source of water because TMWA has no infrastructure within the Industrial Park, and that TMWA has declined to install facilities to serve the members directly or to acquire Parr-Reno’s system. (Comments at 2-3; Packer Decl. ¶¶ 13-14, 17-19.)

Parr-Reno argues that it satisfies each element of NRS 704.021(3) because (1) it is not otherwise engaged in furnishing water to anyone other than its members; (2) it furnishes water to its members as an accommodation; and (3) water is not available in the Industrial Park from any other source. (Comments at 3-4.) Parr-Reno argues that the dollar value of its receipts is irrelevant because NRS 704.021(3) contains no revenue limitation, and that the subsection’s requirement that alternative service be unavailable satisfies Staff’s concern that every member-only cooperative would thus be exempt. (*Id.* at 4.) Parr-Reno also states that its filing is timely because it did not receive the original petition until August 25, 2026, and that, if its filing is treated as a petition for leave to intervene, the service defect constitutes a substantial reason for delay under NAC 703.590. (*Id.* at 1 n.1, 5.) Parr-Reno requests that the amended petition be denied. (*Id.* at 5.)

APPLICABLE LAW

Pursuant to NAC 703.825(1), “[a]ny interested person may petition the Commission for a declaratory order or an advisory opinion as to the applicability of any statutory provision or any regulation or decision of the Commission.” Pursuant to NAC 703.825(2), “[h]earings will be held by the Commission, if needed, to obtain information necessary or useful in formulating a declaratory order or advisory opinion.” A declaratory order disposing of such a petition has “the same status as agency decisions.” NRS 233B.120.

NAC 703.540 provides, in pertinent part:

3. If the Commission does not grant, deny or set a petition for further proceedings within 60 days after the date on which the petition is received by the Commission, the petition shall be deemed denied.
4. If the Commission sets a petition for further proceedings, the Commission will rule on the petition within 120 days after the date on which the Commission set the petition for further proceedings.

NRS 704.330(1) provides, in pertinent part, that “any person owning, controlling, operating or maintaining or having any contemplation of owning, controlling or operating any public utility shall, before beginning such operation or continuing operations . . . within this State, obtain from the Commission a certificate that the present or future public convenience or necessity requires or will require such continued operation”

NRS 704.020(2)(a) provides that “public utility” or “utility” includes “[a]ny plant or equipment, or any part of a plant or equipment, within this State for the production, delivery or furnishing for or to other persons, including private or municipal corporations, . . . water for business, manufacturing, agricultural or household use, . . . whether or not within the limits of municipalities.”

NRS 704.021 provides, in pertinent part, that “public utility” or “utility” does not include:

2. Persons engaged in the business of furnishing, for compensation, water or services for the disposal of sewage, or both, to persons within this State if:

(a) They serve 25 persons or less; and

(b) Their gross sales for water or services for the disposal of sewage, or both, amounted to \$25,000 or less during the immediately preceding 12 months.

3. Persons not otherwise engaged in the business of furnishing, producing or selling water or services for the disposal of sewage, or both, but who sell or furnish water or services for the disposal of sewage, or both, as an accommodation in an area where water or services for the disposal of sewage, or both, are not available from a public utility, cooperative corporations and associations or political subdivisions engaged in the business of furnishing water or services for the disposal of sewage, or both, for compensation, to persons within the political subdivision.

NRS 704.675 provides:

Every cooperative association or nonprofit corporation or association and every other supplier of services described in this chapter supplying those services for the use of its own members only is hereby declared to be affected with a public interest, to be a public utility, and to be subject to the jurisdiction, control and regulation of the Commission for the purposes of NRS 703.191, 704.330, 704.350 to 704.410, inclusive, and 704.7821, but not to any other jurisdiction, control and regulation of the Commission or to the provisions of any section not specifically mentioned in this section.

By contrast, NRS 704.673(1) declares that a cooperative association or nonprofit corporation or association that supplies services both to the public and to its own members is a public utility subject to the full jurisdiction, control, and regulation of the Commission under chapter 704. NRS 704.677 entitles a cooperative association, nonprofit corporation or association, or other supplier that served the public or its members before April 26, 1963, to receive a CPC for the area it served before that date upon filing a statement describing its facilities and service area, and directs the Commission to issue the certificate within 60 days after receiving the statement.

ANALYSIS

A. Procedural Posture

General Counsel recommends that the Commission set the amended petition for further proceedings. General Counsel further recommends that the Commission grant Parr-Reno leave to intervene as it alternatively requests in its comments. Parr-Reno is the entity whose jurisdictional status is the subject of the amended petition and is “so situated that the disposition of the proceeding will, as a practical matter, impair or impede” its ability to protect its interests. NAC 703.580(2)(b). No existing party represents Parr-Reno’s interests. To the extent Parr-Reno’s filing is late, Staff has acknowledged that the original proof of service omitted Parr-Reno’s counsel and misaddressed Parr-Reno’s President, which constitutes a substantial reason for delay and does not reflect neglect or unreasonable inaction by Parr-Reno. NAC 703.590(2). Absent intervention, Parr-Reno’s filing would not be treated as evidence and Parr-Reno could not present witnesses or seek review of a declaratory order directed at it. NAC 703.491(3)-(4).

B. Statutes Not Addressed by the Parties

Neither Staff nor Parr-Reno addresses NRS 704.673, 704.675, or 704.677, which specifically govern cooperative associations and nonprofit corporations and associations that supply utility services. NRS 704.675 declares every cooperative association or nonprofit corporation or association “supplying [utility] services for the use of its own members only” to be “a public utility” subject to the Commission’s jurisdiction for limited purposes that expressly include NRS 704.330, the CPC requirement. Parr-Reno describes itself as a non-profit cooperative corporation that furnishes water to its members only. (Comments at 1-2; Packer Decl. ¶¶ 2, 9.) Two related provisions may also be implicated depending on the facts developed. If Parr-Reno furnishes water to persons other than its members, such as tenants of member-owned warehouses or other end users that are not members, NRS 704.673 may subject Parr-Reno to the Commission’s full jurisdiction rather than the limited jurisdiction of NRS 704.675. Conversely, if Parr-Reno or a predecessor supplied water to the Industrial Park before April 26, 1963, NRS 704.677 may entitle Parr-Reno to a CPC for its historical service area upon the filing of a statement. The parties dispute whether service began in 1956 or after Parr-Reno’s formation in 1971, and the record does not resolve the question.

C. Further Proceedings Are Warranted

A declaratory order has the same status as an agency decision, NRS 233B.120, and here would determine Parr-Reno’s legal obligations. General Counsel recommends further proceedings for three reasons. First, the parties have not briefed whether and how NRS 704.673, 704.675, and 704.677 apply to Parr-Reno; how those sections relate to the exclusion in NRS 704.021(3), including the legislative history of each; or the scope of the Commission’s jurisdiction if NRS 704.675 applies. Second, material facts remain undeveloped or disputed, including (a) the date service commenced; (b) Parr-Reno’s actual gross receipts, including management fees; (c) whether any non-members, such as tenants of members, receive or pay for water from the system; (d) Parr-Reno’s governing documents and membership requirements; and (e) the terms, if any, on which TMWA would serve the Industrial Park directly. Third, Parr-Reno’s factual submissions are presently before the Commission only as comments, which are not evidence. NAC 703.491(3). NAC 703.825(2) authorizes the Commission to hold hearings to obtain information necessary or useful in formulating a declaratory order or advisory opinion.

RECOMMENDATION

Based on the foregoing analysis, General Counsel recommends that the Commission set the amended petition for further proceedings pursuant to NAC 703.540(3) and NAC 703.825(2); grant Parr-Reno leave to intervene; and direct the presiding officer to issue a procedural order establishing a schedule for supplemental briefing and development of the factual record.