

September 19, 2014

via eTariff

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *NV Energy, Inc.*
Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Offer of Settlement

Dear Secretary Bose:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.602 (2013), NV Energy, Inc., on behalf of its public utility subsidiaries Nevada Power Company (“Nevada Power”) and Sierra Pacific Power Company (“Sierra Pacific”) (collectively, “NV Energy” or the “Companies”), submits on behalf of the Settling Parties¹ an Offer of Settlement and Settlement Agreement (“Settlement”). If approved by the Commission, the Settlement will resolve all outstanding issues before the Commission in the above-referenced proceedings.² The Settlement is unopposed.

If and to the extent appropriate, NV Energy respectfully requests that this Settlement be transmitted to the Honorable John P. Dring, Presiding Settlement Judge, and/or the Honorable Curtis L. Wagner, Jr., Chief Administrative Law Judge, in accordance with Rule 602(b)(2)(i), 18 C.F.R. § 385.602(b)(2)(i).

¹ The “Settling Parties” are NV Energy, The Barrick Mines, Deseret Generation & Transmission Co-operative, Inc., the City of Fallon, Nevada, Colorado River Commission, Las Vegas Power Company, LLC, Los Angeles Department of Water and Power, Newmont USA Limited, the Southern California Public Power Authority, Truckee Donner Public Utility District, Liberty Utilities (CalPeco Electric) LLC, and Ormat Nevada Inc. and ORNI 47 LLC (together “Ormat”).

² A Partial Settlement resolving the imbalance provisions of the NV Energy Operating Companies Open Access Transmission Tariff (“OATT”) (Schedules 4 and 9) was approved by a letter order on March 24, 2014. *NV Energy, Inc.*, Docket Nos. ER13-1605-000, ER13-1605-003 and ER13-1607-000, Letter Order (Mar. 24, 2014).

1. Contents of Submission

In accordance with Rule 602(c)(1), this Settlement filing consists of the following materials in addition to this Transmittal Letter:

- A. An Explanatory Statement;
- B. The Offer of Settlement and Settlement Agreement;
- C. A proposed letter order approving the Settlement; and
- D. A Certificate of Service.

In addition, in accordance with 18 C.F.R. § 385.602(c)(2) and Order No. 714,³ NV Energy is providing through the Commission's eTariff filing system, the following materials as agreed to by the Offer of Settlement and Settlement Agreement:

- E. Clean and marked tariff sheets for Schedules 1-3, 5-8, 11 and Attachment H of the OATT; and clean and marked tariff sheets for reflecting certain changes to the non-rate terms and conditions of the OATT.

2. Service of Submission

Pursuant to Rules 602(d) and 2010 (18 C.F.R. §§ 385.602(d) and 2010), NV Energy certifies that it is serving a complete copy of this Settlement on all parties to the above-referenced proceeding, as well as the Listserv established for Docket Nos. ER13-1605-000 and ER13-1607-000 and all other persons required to be served by operation of Rule 602(d).

3. Notice Respecting Comments

In accordance with Rule 602(d)(2) and (f), NV Energy advises all parties that Comments on this Settlement must be filed on or before October 9, 2014, and Reply Comments must be filed on or before October 20, 2014.

³ *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

Thank you for your assistance in this matter. Please direct any questions to the undersigned.

Sincerely,

/s/ Christopher R. Jones

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Exhibits

EXPLANATORY STATEMENT

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

NV Energy, Inc.)	Docket Nos.	ER13-1605-___
)		ER13-1607-___
)		(consolidated)
)		

EXPLANATORY STATEMENT

NV Energy, Inc., on behalf of its public utility subsidiaries Nevada Power Company (“Nevada Power”) and Sierra Pacific Power Company (“Sierra Pacific”) (collectively, “NV Energy” or the “Companies”), submits to the Federal Energy Regulatory Commission (“Commission”) this Explanatory Statement in connection with the Offer of Settlement and Settlement Agreement (“Settlement”) in the captioned proceedings.

This Explanatory Statement is provided solely to comply with Rule 602(c)(1)(ii) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602(c)(1)(ii) (2013). This Explanatory Statement is not intended to, and does not, alter any of the provisions of the Settlement. In the event of an inconsistency between the Explanatory Statement and the Settlement, the Settlement shall control.

I. PROCEDURAL HISTORY

As discussed above, NV Energy is filing this Settlement on behalf of its two public utility subsidiaries, Nevada Power and Sierra Pacific. Nevada Power, incorporated pursuant to the laws of the state of Nevada, is a public utility that serves retail and wholesale customers in Southern Nevada, and is subject to regulation by the Commission and the Public Utilities Commission of Nevada (“PUCN”). Nevada Power does business as NV Energy. Nevada Power is wholly owned by NV Energy, Inc., a public utility holding company, which also wholly owns Sierra

Pacific, a public utility that serves retail and wholesale customers in Northern Nevada. Nevada Power's retail service territory covers approximately 4,500 square miles in Southern Nevada, and includes the cities of Las Vegas, North Las Vegas, and Henderson. Nevada Power serves approximately 859,000 retail residential, commercial, and industrial customers. Nevada Power also serves various wholesale customers pursuant to agreements on file with the Commission or in accordance with Nevada Power's market-based rate authority.¹

Sierra Pacific, incorporated pursuant to the laws of the state of Nevada, is a public utility that serves retail and wholesale customers in Nevada, and is subject to regulation by the Commission and the PUCN. Sierra Pacific's retail service territory covers approximately 50,000 square miles of western, central and northeastern Nevada, and includes the cities of Reno, Sparks, Carson City and Elko. Sierra Pacific serves about 367,000 retail residential, commercial, and industrial customers. Sierra Pacific also serves various wholesale customers pursuant to agreements on file with the Commission or in accordance with Sierra Pacific's market-based rate authority.² Additionally, Sierra Pacific provides natural gas service to 151,000 customers in an 800 square mile service territory in Nevada's Reno/Sparks area.

The Companies own approximately 4,000 miles of transmission lines and other transmission facilities ranging from 55 kV to 500 kV.

Both Nevada Power and Sierra Pacific are indirect wholly-owned subsidiaries of Berkshire Hathaway Energy Company.

¹ The Commission first accepted Nevada Power's market-based rate tariff on May 11, 2001, in Docket No. ER01-1529.

² The Commission first accepted Sierra Pacific's market-based rate tariff on May 11, 2001, in Docket No. ER01-1527.

On May 31, 2013, NV Energy filed with the Commission in Docket No. ER13-1605 a “Transmission Rate Filing and Limited Request for Summary Disposition” to revise the rates contained in Schedules 1 through 11 of the NV Energy Operating Companies Open Access Transmission Tariff (the “OATT”) to change from a bifurcated, zonal rate structure (which charged separate rates for service across the respective systems of Nevada Power and Sierra Pacific) to a single-system rate structure for transmission service over NV Energy’s system.³ The impetus for filing the single-system rate structure was the then-anticipated commercial operation of the One Nevada Transmission Line Project (“ON Line”), which now provides the first direct interconnection between the transmission systems of Sierra Pacific and Nevada Power. These revisions are further described in NV Energy’s transmittal letter and the accompanying testimony in Docket No. ER13-1605-000. The limited request for summary disposition contained in the May 31 Rate Filing asked the Commission to find that NV Energy should develop its transmission rates on a 12 coincident peak (“12 CP”) methodology. NV Energy requested an effective date of the later of January 1, 2014, or the ON Line in-service date for the single-system rates.⁴

On the same day, NV Energy also made a filing in Docket No. ER13-1607-000 to make changes to the non-rate terms and conditions of its OATT to reflect the provision of single-system transmission service.⁵

On June 28, 2013, Bonneville Power Administration (“BPA”) filed a Motion to Intervene and Protest.⁶ On July 1, 2013, motions to intervene and protests were filed by Colorado River

³ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Transmission Rate Filing and Limited Request for Summary Disposition (May 31, 2013) (“May 31 Rate Filing”).

⁴ May 31 Rate Filing, Tr. Letter at 2.

⁵ *Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy*, Docket No. ER13-1607-000, Tariff Filing (May 31, 2013).

Commission of Nevada (“CRC”) and Southern Nevada Water Authority (“SNWA”),⁷ Deseret Generation & Transmission Co-operative, Inc. d/b/a Deseret Power (“Deseret”),⁸ Las Vegas Power Company, LLC (“Las Vegas Power”),⁹ Newmont USA Limited (“Newmont”), City of Fallon, NV (“City of Fallon”),¹⁰ and Truckee Donner Public Utility District (“Truckee Donner”)¹¹ (together with City of Fallon and Newmont, “Joint Sierra Customers”), Ormat Nevada Inc. and ORNI 47 LLC (together “Ormat”),¹² and Southwest Generation Operating Company, LLC (“Southwest”).¹³ Regarding Docket No. ER13-1605, these parties objected to the requested rates, the use of 12-CP, and the request for summary disposition. The PUCN filed a Motion to Intervene and Comments, objecting to the request for summary disposition and

⁶ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene and Protest of Bonneville Power Administration (Jun. 28, 2013) (“BPA Protest”).

⁷ *NV Energy Operating Companies*, Docket Nos. ER13-1605-000 and ER13-1607-000, Motion to Intervene, Motion to Consolidate, Protest, Request for Maximum Suspension, Institution of a Section 206 Proceeding, Hearing and Settlement Judge Procedures (Jul. 1, 2013) (“CRC/SNWA Protest”).

⁸ *NV Energy Operating Companies*, Docket Nos. ER13-1605-000 and ER13-1607-000, Motion to Intervene, Motion to Consolidate, Protest, Request for Maximum Suspension, Institution of a 206 Proceeding, Hearing, and Settlement Judge Procedures (Jul. 1, 2013) (“Deseret Protest”).

⁹ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene, Answer to Request for Summary Disposition, Protest, Request for Summary Rejection or Maximum Suspension in the Alternative, Request for Institution of a Section 206 Proceeding, and Request for Evidentiary Hearing (Jul. 1, 2013) (“Las Vegas Power Protest”); *NV Energy Operating Companies*, Docket No. ER13-1607-000, Motion to Intervene of Las Vegas Power Company, LLC and Request for Summary Rejection or, In the Alternative, Maximum Suspension (Jul. 1, 2013).

¹⁰ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Joint Motion to Intervene, Protest, and Request for Suspension, Section 206 Investigation and Hearing (Jul. 1, 2013) (“Newmont and City of Fallon Protest”), which included as an attachment the Joint Sierra Customers’ Protest.

¹¹ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Protest of Truckee Donner Public Utility District (Jul. 1, 2013), as amended on July 2, 2013 (“Truckee Donner Amended Protest”), which included as an attachment the Joint Sierra Customers’ Protest.

¹² *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene and Protest (July 1, 2013) (“Ormat Protest”); *NV Energy Operating Companies*, Docket No. ER13-1607-000, Motion to Intervene and Protest (Jul. 1, 2013).

¹³ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene, Motion to Consolidate, and Protest of Southwest Generation Operating Company (Jul. 1, 2013) (“Southwest Protest”); *NV Energy Operating Companies*, Docket No. ER13-1607-000, Motion to Intervene, Motion to Consolidate, and Protest of Southwest Generation Operating Company (Jul. 1, 2013).

presenting other issues related to the proffered filings.¹⁴ Regarding Docket No. ER13-1607, CRC, SNWA, Las Vegas Power, Ormat, and Southwest objected to certain proposed changes to the non-rate terms and conditions.

Several other parties filed either doc-less Motions to Intervene, or simple Motions to Intervene without comments in both dockets.¹⁵ NV Energy answered protests in Docket Nos. ER13-1605 and ER13-1607 on July 16, 2013.¹⁶ Las Vegas Power filed an answer in Docket No. ER13-1605 on July 26, 2013.¹⁷

On August 5, 2013, the Commission issued a single order in Docket Nos. ER13-1605-000 and ER13-1607-000 (now consolidated for purposes of hearing and settlement) accepting the single-system rates and OATT for filing, suspending them for a nominal period to become effective on the later of January 1, 2014 or the in-service date of the ON Line, subject to refund, and establishing hearing and settlement judge procedures.¹⁸ The August 5 Order set NV Energy's proposed rates for hearing and did not grant NV Energy's request for summary disposition on the use of 12-CP.

¹⁴ *NV Energy Operating Companies*, Docket Nos. ER13-1605-000 and ER13-1607-000, Notice of Intervention and Comments of the Public Utilities Commission of Nevada (Jul. 1, 2013) ("PUCN Comments"). The PUCN comments were amended on July 2, 2013.

¹⁵ Simple interventions in Docket No. ER13-1607 were filed by Liberty Utilities (CalPeco Electric) LLC ("Liberty"), Powerex Corp. ("Powerex"), BPA, Cargill Power Markets LLC ("Cargill"), the Office of the Attorney General for the State of Nevada Bureau of Consumer Protection ("Nevada BCP"), Barrick Turquoise Ridge Inc. as Operator of Turquoise Ridge Joint Venture, and Barrick Cortez Inc. as Operator of Cortez Mines ("Cortez") (together referred to as the "Barrick Mines"), Plumas-Sierra Rural Electric Cooperative ("Plumas-Sierra"), and Nevada Cogeneration Associates #1 and #2. Simple interventions in Docket No. ER13-1605 were filed by Nevada BCP, Barrick Mines, Liberty, Cargill, Lincoln County Power District No. 1 ("Lincoln"), Nevada Cogeneration Associates #1 and #2, Overton Power District No. 5, and Plumas-Sierra.

¹⁶ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion for Leave to Answer and Answer of NV Energy (Jul. 16, 2013); *Nevada Power Company*, Docket No. ER13-1607-000, Answer of Nevada Power Company and Sierra Pacific Power Company (Jul. 16, 2013).

¹⁷ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion for Leave to Reply and Reply of Las Vegas Power Company, LLC (Jul. 26, 2013).

¹⁸ *NV Energy, Inc.*, 144 FERC ¶ 61,105 (2013) ("August 5 Order").

On August 12, 2013, the Chief Judge issued an order appointing the Honorable John P. Dring as Settlement Judge for this case.

On October 29, 2013, in response to the September 4, 2013 requests for rehearing of NV Energy¹⁹ and Las Vegas Power,²⁰ the Commission issued an Order on Rehearing, which affirmed the effective date of the single-system rates and clarified that the then-proposed internal re-organization of Nevada Power and Sierra Pacific was not a necessary precondition to charging single-system rates.²¹

On January 2, 2014, NV Energy filed an informational update in Docket Nos. ER13-1605-000 and ER13-1607-000, informing the Commission and parties that the ON Line entered commercial operation effective January 1, 2014, thus triggering the effectiveness of the single-system rates.

On January 17, 2014, NV Energy submitted a Partial Offer of Settlement concerning Schedules 4 and 9 of the OATT, which was approved by letter order on March 24, 2014.²²

On February 27, 2014, the Los Angeles Department of Water and Power and the Southern California Public Power Authority filed a motion to intervene out of time.²³ This motion was granted by unpublished letter order issued by the Chief Judge on March 7, 2014.²⁴

¹⁹ *NV Energy Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Request for Rehearing of NV Energy (Sep. 4, 2013).

²⁰ *NV Energy Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Request for Rehearing of Las Vegas Power Company, LLC (Sep. 4, 2013).

²¹ *NV Energy, Inc.*, 145 FERC ¶ 61,080 (2013).

²² *NV Energy, Inc.*, Docket Nos. ER13-1605-000, ER13-1605-003, and ER13-1607-000, Letter Order (Mar. 24, 2014).

²³ *NV Energy, Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Joint Motion for Leave to Intervene Out-of-Time of the City of Los Angeles Department of Water and Power and the Southern California Public Power Authority (Feb.27, 2014).

²⁴ *NV Energy, Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Order of Chief Judge Granting Motion to Intervene Out of Time (Mar. 7, 2014).

The parties met for settlement conferences on September 26, 2013, January 16, 2014, April 1, 2014 and May 20, 2014, and have had several additional settlement discussions via telephone, including technical conferences on November 13, 2013 and April 21, 2014. As a result of the settlement conferences and discussions, the Settling Parties²⁵ have reached the instant Settlement. This Settlement resolves all remaining outstanding issues in Docket Nos. ER13-1605-000 and ER13-1607-000.

II. SUMMARY OF SETTLEMENT

- Article 1 of the Settlement briefly describes the procedural background of this case since its inception.
- Article 2 sets forth the Settling Parties' recitals.
- Article 3 sets forth the Settling Parties' terms of agreement concerning rates under the OATT. Specifically, Article 3 provides:
 - Effective January 1, 2014, NV Energy's rate for network integration transmission service under Attachment H will be \$2.65/kW/month.
 - Effective January 1, 2014, NV Energy's rate for point-to-point service under Schedules 7 and 8 will be \$2.65/kW/month.
 - Effective January 1, 2014, NV Energy's rate for scheduling, system control and dispatch under Schedule 1 will be \$85/MW/month.
 - Effective January 1, 2014, NV Energy's rate for reactive supply and voltage control service under Schedule 2 will be \$300/MW/month.
 - Effective January 1, 2014, NV Energy's rate for regulation and frequency response service and spinning reserve service in Schedules 3, 5, and 11 of the OATT will be \$7,500/MW/month.

²⁵ The "Settling Parties" are NV Energy, The Barrick Mines, Deseret Generation & Transmission Co-operative, Inc., the City of Fallon, Nevada, Colorado River Commission, Las Vegas Power Company, LLC, Los Angeles Department of Water and Power, Newmont USA Limited, the Southern California Public Power Authority, Truckee Donner Public Utility District, Liberty Utilities (CalPeco Electric) LLC, and Ormat Nevada Inc. and ORNI 47 LLC (together "Ormat").

- Effective January 1, 2014, NV Energy's rate for supplemental reserves in Schedule 6 of the OATT will be \$6,600/MW/month.
- Effective January 1, 2014, NV Energy's loss factor for loss compensation service will be 1.57 percent in Schedule 10.
- NV Energy will take certain steps to reflect in future rates any capital-cost recovery or savings that result from resolution of claims associated with the mitigation of the ON Line's wind-induced vibration issues.
- Article 4 sets forth certain Settling Parties' terms of agreement concerning non-rate terms and conditions under the OATT. Specifically, Article 4 provides:
 - Revisions to Section 1.16 and 1.50 to clarify transmission service provided pursuant to a retail open access program.²⁶
 - Revisions to Section 19.3 to explain how the Transmission Provider will conduct a requested revised System Impact Study for the study of conditional firm or redispatch options.
 - Revisions to Section 37 clarifying how the Transmission Provider will use the end-use meter data to determine the monthly Network Load for settlement of hourly imbalance and transmission losses for retail customers taking service under the OATT.
 - Revisions to Attachment F-1 regarding the role of a Designated Agent and an Eligible Customer's rights if it chooses a new Designated Agent or elects to return as a bundled retail service customer.
- Article 5 establishes the standard of review for any proposed changes sought by any Settling Party to the terms of the Settlement.
- Article 6 states when the Settlement will become effective and establishes a refund process.
- Article 7 sets forth various reservations of rights.

²⁶ Non-substantive revisions to other sections of the OATT have been made to reflect the change to the title of Section 1.50.

III. RESPONSES TO REQUIRED QUESTIONS

By order dated October 23, 2003, the Chief Administrative Law Judge requires all parties submitting Offers of Settlement under Rule 602 to address five questions in their Explanatory Statement. The questions and specific responses applicable to the Settlement are as follows:

A. WHAT ARE THE ISSUES UNDERLYING THE SETTLEMENT AND WHAT ARE THE MAJOR IMPLICATIONS?

The issues underlying the Settlement are related to the recovery of costs of providing transmission service, and certain related non-rate terms and conditions contained in the OATT. Specifically, the Settlement provides for revised rates pursuant to the NV Energy OATT for transmission service, certain ancillary services, and a transmission loss factor on a “black box” basis. There are no major implications of the settlement of these issues.

B. DO ANY OF THE ISSUES UNDERLYING THE SETTLEMENT HAVE POLICY IMPLICATIONS?

Other than furthering the broad public interest in favor of settlements,²⁷ the Settlement does not raise any policy implications.

C. WHAT PENDING CASES MAY BE AFFECTED BY THE SETTLEMENT?

By its terms, the Settlement does not establish any policy or principle, nor does it affect any other issues reserved for litigation and/or settlement discussions in this case, or any other pending case.

²⁷ See, e.g., *Southern Union Gas Co. v. FERC*, 840 F.2d 964, 971 (D.C. Cir. 1988).

D. DOES THE SETTLEMENT INVOLVE ISSUES OF FIRST IMPRESSION, OR ARE THERE ANY PREVIOUS REVERSALS ON THE ISSUES INVOLVED?

The Settlement does not involve issues of first impression, nor are there any previous reversals on the issues involved.

E. WHAT IS THE STANDARD OF REVIEW APPLICABLE TO THE PROCEEDING?

The standard of review for any proposed changes sought by any Settling Party to the terms of this Settlement shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Services Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and *Morgan Stanley Capital Group Inc. v. Pub. Util. Dist. No. 1*, 554 U.S. 527 (2008), and the standard of review for any changes proposed by a non-party or the Commission acting *sua sponte* shall be the ordinary just and reasonable standard of review, not the public interest standard of review, *see Devon Power LLC*, 134 FERC ¶ 61,208 at P 10 (2011); provided, however, that nothing in the Settlement shall affect the rights of NV Energy, any other Settling Party, the Commission, or any other entity to seek future changes to the rates, terms, and/or conditions of the OATT under Sections 205 or 206 of the Federal Power Act; nor is the Settlement intended to create a standard of review other than the just and reasonable standard for any such future rate changes.

IV. CONCLUSION

The Settlement resolves all outstanding issues in this proceeding, and is consistent with the Commission’s policies encouraging settlements. Further, the Settlement is fair, reasonable, and in the public interest, and Commission approval of the Settlement will save not only the

Settling Parties, but also the Commission, the expense and effort of protracted litigation with respect to pricing of transmission service and the revised non-rate terms and conditions of the NV Energy OATT. Accordingly, the Settling Parties respectfully request that the Commission find that the Settlement is fair and reasonable and in the public interest and approve it without condition or modification.

OFFER OF SETTLEMENT
AND SETTLEMENT AGREEMENT

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

NV Energy, Inc.)	Docket Nos.	ER13-1605-___
)		ER13-1607-___
)		(consolidated)

**OFFER OF SETTLEMENT
AND SETTLEMENT AGREEMENT**

In accordance with the provisions of Rule 602 of the Rules of Practice and Procedure¹ of the Federal Energy Regulatory Commission (“Commission”), NV Energy, Inc., on behalf of its public utility subsidiaries Nevada Power Company (“Nevada Power”) and Sierra Pacific Power Company (“Sierra Pacific”) (collectively, “NV Energy” or the “Companies”), and the other Settling Parties² enter into this Offer of Settlement and Settlement Agreement (“Settlement”).

**ARTICLE 1
BACKGROUND**

1.1 Nevada Power, incorporated pursuant to the laws of the state of Nevada, is a public utility that serves retail and wholesale customers in Southern Nevada, and is subject to regulation by the Commission and the Public Utilities Commission of Nevada (“PUCN”). Nevada Power does business as NV Energy. Nevada Power is wholly owned by NV Energy, Inc., a public utility holding company, which also wholly owns Sierra Pacific Power Company, a public utility that serves retail and wholesale customers in Northern Nevada. In 2008, both

¹ 18 C.F.R. § 385.602 (2013).

² The “Settling Parties” are NV Energy, The Barrick Mines, Deseret Generation & Transmission Co-operative, Inc., the City of Fallon, Nevada, Colorado River Commission, Las Vegas Power Company, LLC, Los Angeles Department of Water and Power, Newmont USA Limited, the Southern California Public Power Authority, Truckee Donner Public Utility District, Liberty Utilities (CalPeco Electric) LLC, and Ormat Nevada Inc. and ORNI 47 LLC (together “Ormat”).

companies began doing business as “NV Energy.” Nevada Power’s retail service territory covers approximately 4,500 square miles in Southern Nevada, and includes the cities of Las Vegas, North Las Vegas, and Henderson. Nevada Power serves approximately 859,000 retail residential, commercial, and industrial customers. Nevada Power also serves various wholesale customers pursuant to agreements on file with the Commission or in accordance with Nevada Power’s market-based rate authority.³

1.2 Sierra Pacific, incorporated pursuant to the laws of the state of Nevada, is a public utility that serves retail and wholesale customers in Nevada, and is subject to regulation by the Commission and the PUCN. Sierra Pacific is also wholly owned by NV Energy, Inc. Sierra Pacific’s retail service territory covers approximately 50,000 square miles of western, central and northeastern Nevada, and includes the cities of Reno, Sparks, Carson City and Elko. Sierra Pacific serves about 367,000 retail residential, commercial, and industrial customers. Sierra Pacific also serves various wholesale customers pursuant to agreements on file with the Commission or in accordance with Sierra Pacific’s market-based rate authority.⁴ Additionally, Sierra Pacific provides natural gas service to 151,000 customers in an 800 square mile service territory in Nevada’s Reno/Sparks area.

1.3 The Companies own approximately 4,000 miles of transmission lines and other transmission facilities ranging from 55kV to 500 kV.

³ The Commission first accepted Nevada Power’s market-based rate tariff on May 11, 2001, in Docket No. ER01-1529.

⁴ The Commission first accepted Sierra Pacific’s market-based rate tariff on May 11, 2001, in Docket No. ER01-1527.

1.4 On May 31, 2013, NV Energy filed with the Commission in Docket No. ER13-1605 a “Transmission Rate Filing and Limited Request for Summary Disposition” to revise the rates contained in Schedules 1 through 11 of the NV Energy Operating Companies Open Access Transmission Tariff (the “OATT”) to change from a bifurcated, zonal rate structure (which charged separate rates for service across the respective systems of Nevada Power and Sierra Pacific) to a single-system rate structure for transmission service over NV Energy’s system.⁵ The impetus for filing the single-system rate structure was the then-anticipated commercial operation of the One Nevada Transmission Line Project (“ON Line”), which now provides the first direct interconnection between the transmission systems of Sierra Pacific and Nevada Power. These revisions are further described in NV Energy’s transmittal letter and the accompanying testimony in Docket No. ER13-1605-000. The limited request for summary disposition contained in the May 31 Rate Filing asked the Commission to find that NV Energy should develop its transmission rates on a 12 coincident peak (“12 CP”) methodology. NV Energy requested an effective date of the later of January 1, 2014, or the ON Line in-service date for the single-system rates.⁶

1.5 On the same day, NV Energy also made a filing in Docket No. ER13-1607-000 to reflect changes to the non-rate terms and conditions under its OATT to reflect the provision of single-system transmission service.⁷

⁵ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Transmission Rate Filing and Request for Summary Disposition (May 31, 2013) (“May 31 Rate Filing”).

⁶ May 31 Rate Filing, Tr. Letter at 2.

⁷ *Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy*, Docket No. ER13-1607-000, Tariff Filing (May 31, 2013).

1.6 On June 28, 2013, Bonneville Power Administration (“BPA”) filed a Motion to Intervene and Protest.⁸ On July 1, 2013, motions to intervene and protests were filed by Colorado River Commission of Nevada (“CRC”) and Southern Nevada Water Authority (“SNWA”),⁹ Deseret Generation & Transmission Co-operative, Inc. d/b/a Deseret Power (“Deseret”),¹⁰ Las Vegas Power Company, LLC (“Las Vegas Power”),¹¹ Newmont USA Limited (“Newmont”), City of Fallon, NV (“City of Fallon”),¹² and Truckee Donner Public Utility District (“Truckee Donner”)¹³ (together with City of Fallon and Newmont, “Joint Sierra Customers”), Ormat Nevada Inc. and ORNI 47 LLC (together “Ormat”),¹⁴ and Southwest Generation Operating Company, LLC (“Southwest”).¹⁵ Regarding Docket No. ER13-1605, these parties objected to the requested rates, the use of 12-CP, and the request for summary

⁸ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene and Protest of Bonneville Power Administration (Jun. 28, 2013) (“BPA Protest”).

⁹ *NV Energy Operating Companies*, Docket Nos. ER13-1605-000 and ER13-1607-000, Motion to Intervene, Motion to Consolidate, Protest, Request for Maximum Suspension, Institution of a Section 206 Proceeding, Hearing and Settlement Judge Procedures (Jul. 1, 2013) (“CRC/SNWA Protest”).

¹⁰ *NV Energy Operating Companies*, Docket Nos. ER13-1605-000 and ER13-1607-000, Motion to Intervene, Motion to Consolidate, Protest, Request for Maximum Suspension, Institution of a 205 Proceeding, Hearing, and Settlement Judge Procedures (Jul. 1, 2013) (“Deseret Protest”).

¹¹ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene, Answer to Request for Summary Disposition, Protest, Request for Summary Rejection or Maximum Suspension in the Alternative, Request for Institution of a Section 206 Proceeding, and Request for Evidentiary Hearing (Jul. 1, 2013) (“Las Vegas Power Protest”); *NV Energy Operating Companies*, Docket No. ER13-1607-000, Motion to Intervene of Las Vegas Power Company, LLC and Request for Summary Rejection or, In the Alternative, Maximum Suspension (Jul. 1, 2013).

¹² *NV Energy Operating Companies*, Docket No. ER13-1605-000, Joint Motion to Intervene, Protest, and Request for Suspension, Section 206 Investigation and Hearing (Jul. 1, 2013) (“Newmont and City of Fallon Protest”), which included as an attachment the Joint Sierra Customers’ Protest.

¹³ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Protest of Truckee Donner Public Utility District (Jul. 1, 2013), as amended on July 2, 2013 (“Truckee Donner Amended Protest”), which included as an attachment the Joint Sierra Customers’ Protest.

¹⁴ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene and Protest (July 1, 2013) (“Ormat Protest”); *NV Energy Operating Companies*, Docket No. ER13-1607-000, Motion to Intervene and Protest (Jul. 1, 2013).

¹⁵ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion to Intervene, Motion to Consolidate, and Protest of Southwest Generation Operating Company (Jul. 1, 2013) (“Southwest Protest”); *NV Energy Operating Companies*, Docket No. ER13-1607-000, Motion to Intervene, Motion to Consolidate, and Protest of Southwest Generation Operating Company (Jul. 1, 2013).

disposition. The PUCN filed a Motion to Intervene and Comments, objecting to the request for summary disposition and presenting other issues related to the proffered filings.¹⁶ Regarding Docket No. ER13-1607, CRC, SNWA, Las Vegas Power, Ormat, and Southwest objected to certain proposed changes to the non-rate terms and conditions.

1.7 Several other parties filed either doc-less Motions to Intervene, or simple Motions to Intervene without comments.¹⁷

1.8 NV Energy answered protests in Docket Nos. ER13-1605 and ER13-1607 on July 16, 2013.¹⁸ Las Vegas Power filed an answer in Docket No. ER13-1605 on July 26, 2013.¹⁹

1.9 On August 5, 2013, the Commission issued a single order in Docket Nos. ER13-1605-000 and ER13-1607-000 (now consolidated for purposes of hearing and settlement) accepting the single-system rates and OATT for filing, suspending them for a nominal period to become effective on the later of January 1, 2014 or the in-service date of ON Line, subject to refund, and establishing hearing and settlement judge procedures. The August 5 Order set NV

¹⁶ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Notice of Intervention and Comments of the Public Utilities Commission of Nevada (Jul. 1, 2013) (“PUCN Comments”). The PUCN comments were amended on July 2, 2013.

¹⁷ Simple interventions in Docket No. ER13-1607 were filed by Liberty Utilities (CalPeco Electric) LLC (“Liberty”), Powerex Corp. (“Powerex”), BPA, Cargill Power Markets LLC (“Cargill”), the Office of the Attorney General for the State of Nevada Bureau of Consumer Protection (“Nevada BCP”), Barrick Turquoise Ridge Inc. as Operator of Turquoise Ridge Joint Venture, and Barrick Cortez Inc. as Operator of Cortez Mines (“Cortez”) (together referred to as the “Barrick Mines”), Plumas-Sierra Rural Electric Cooperative (“Plumas-Sierra”), and Nevada Cogeneration Associates #1 and #2. Simple interventions in Docket No. ER13-1605 were filed by Nevada BCP, Barrick Mines, Liberty, Cargill, Lincoln County Power District No. 1 (“Lincoln”), Nevada Cogeneration Associates #1 and #2, Overton Power District No. 5, Powerex, and Plumas-Sierra.

¹⁸ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion for Leave to Answer and Answer of NV Energy (Jul. 16, 2013).

¹⁹ *NV Energy Operating Companies*, Docket No. ER13-1605-000, Motion for Leave to Reply and Reply of Las Vegas Power Company, LLC (Jul. 26, 2013).

Energy's proposed rates for hearing and denied NV Energy's request for summary disposition on the use of 12-CP.

1.10 On August 12, 2013, the Chief Judge issued an order appointing the Honorable John P. Dring as Settlement Judge for this case.

1.11 On October 29, 2013, in response to the September 4, 2013 requests for rehearing of NV Energy²⁰ and Las Vegas Power,²¹ the Commission issued an Order on Rehearing, which affirmed the effective date of the single-system rates and clarified that the then-proposed internal re-organization of Nevada Power and Sierra Pacific was not a necessary precondition to charging single-system rates.

1.12 On January 2, 2014, NV Energy filed an informational update in Docket Nos. ER13-1605 and ER13-1607, informing the Commission and parties that the ON Line entered commercial operation effective January 1, 2014, thus triggering the effectiveness of the single-system rates.

1.13 On February 27, 2014, the Los Angeles Department of Water and Power and the Southern California Public Power Authority filed a motion to intervene out of time.²² This motion was granted by unpublished letter order issued by the Chief Judge on March 7, 2014.²³

²⁰ *NV Energy Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Request for Rehearing of NV Energy (Sep. 4, 2013).

²¹ *NV Energy Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Request for Rehearing of Las Vegas Power Company, LLC (Sep. 4, 2013).

²² *NV Energy, Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Joint Motion for Leave to Intervene Out-of-Time of the City of Los Angeles Department of Water and Power and the Southern California Public Power Authority (Feb. 27, 2014).

1.14 The parties met for settlement conferences on September 26, 2013, January 16, 2014, April 1, 2014 and May 20, 2014, and have had several additional settlement discussions via telephone, including technical conferences on November 13, 2013 and April 21, 2014. As a result of the settlement conferences and discussions, the Settling Parties have reached the instant Settlement. NV Energy and the Settling Parties have addressed Schedules 4 and 9 of the OATT earlier in this proceeding. Specifically, on January 17, 2014, NV Energy submitted a Partial Offer of Settlement concerning Schedules 4 and 9 of the OATT, which was accepted by letter order on March 24, 2014.²⁴

1.15 The Settling Parties hereby settle and resolve all outstanding issues between them involving the matters raised in Docket Nos. ER13-1605-000 and ER13-1607-000, on the terms set forth below.

ARTICLE 2 RECITALS

2.1 Whereas, the Settling Parties are engaged in a proceeding regarding rates, terms and conditions of transmission service on the NV Energy system pursuant to the OATT;

2.2 Whereas, the Settling Parties have reached a Settlement resolving all outstanding issues in this proceeding, specifically, Schedules 1-3, 5-8, 11 and Attachment H of the NV Energy OATT and treatment of prospective wind-induced vibration (“WIV”) cost recovery or savings, and certain non-rate terms and conditions of the NV Energy OATT;

²³ *NV Energy, Inc.*, Docket Nos. ER13-1605-000 and ER13-1607-000, Order of Chief Judge Granting Motion to Intervene Out of Time (Mar. 7, 2014).

²⁴ *NV Energy, Inc.*, Docket Nos. ER13-1605-000, ER13-1605-003 and ER13-1607-000, Letter Order (Mar. 24, 2014).

2.3 Whereas, prior to executing this Settlement, the Settling Parties have had the opportunity to review its contents and to consult with counsel and independent advisors; and

2.4 Now, therefore, in consideration of the mutual covenants and agreements, and other good and valuable consideration, provided for herein, and subject to and upon the terms and conditions hereof, the Settling Parties agree as follows.

ARTICLE 3 RATE SETTLEMENT

3.1 The execution of this Settlement by the Settling Parties constitutes their agreement to the terms and provisions hereof and their agreement that they shall not withdraw from this Settlement except as provided in Article 6 hereof.

3.2 The Settling Parties agree that, effective January 1, 2014, NV Energy's rate in Schedules 7 and 8 for point-to-point service will be \$2.65/kW/month.

3.3 The Settling Parties agree that, effective January 1, 2014, NV Energy's rate in Attachment H for network integration transmission service will be \$2.65/kW/month.

3.4 The Settling Parties agree that, effective January 1, 2014, NV Energy's rate for scheduling, system control and dispatch under Schedule 1 will be \$85/MW/month.

3.5 The Settling Parties agree that, effective January 1, 2014, NV Energy's rate for reactive supply and voltage control service under Schedule 2 will be \$300/MW/month.

3.6 The Settling Parties agree that, effective January 1, 2014, NV Energy's rate for regulation and frequency response and spinning reserve service in Schedules 3, 5, and 11 of the OATT will be \$7,500/MW/month.

3.7 The Settling Parties agree that, effective January 1, 2014, NV Energy's rate for supplemental reserve service in Schedule 6 of the OATT will be \$6,600/MW/month.

3.8 The Settling Parties agree that, effective January 1, 2014, NV Energy's loss factor for loss compensation service in Schedule 10 will be 1.57 percent.

3.9 The Settling Parties realize that NV Energy may seek to recover, through litigation, insurance claims or otherwise, certain portions of the capital costs of mitigating wind-induced vibration issues related to the construction of the ON Line, including overall ON Line project cost increases associated with resulting delays in completion of the project ("WIV-Related Costs"). The Settling Parties agree that if, and to the extent that, NV Energy recovers WIV-Related Costs through litigation, insurance claims or otherwise, the total recovery amounts of any such recovery expressed as a positive dollar amount after expenses associated with pursuing such recovery are subtracted (the "Net Recovery Amount") shall be reflected in NV Energy's cost of service for purposes of determining OATT rates, with accompanying detailed accounting information and narrative description reflecting all aspects of the calculation of the Net Recovery Amount (*e.g.*, recoveries and expenses), as follows.

- (a) Recovery of WIV-Related Costs shall include all cash or in-kind or other non-cash value received by NV Energy in consideration for WIV-related claims it may pursue against or receive from third parties related to its ownership share of ON Line, but do not include any recovery from third parties that may be payable to Great Basin Transmission LLC ("Great Basin"), which shall be captured in a reduction to lease payment obligations to Great Basin, which is separately addressed by Section 3.10.
- (b) For any recovery by NV Energy that is not in the form of cash, NV Energy shall assign a Net Recovery Amount that is a reasonable cash equivalent of the net value received by NV Energy. For example, if NV Energy were to reach a settlement with a contractor pursuant to which the contractor agreed to provide services to NV Energy at

no cost or reduced cost in exchange for NV Energy's release of its WIV claims, the value of such services shall be used in determining the Net Recovery Amount. The Settling Parties other than NV Energy reserve the right to contest, and NV Energy reserves the right to defend, any such valuation.

- (c) NV Energy shall employ the following ratemaking treatment to reflect recovery of WIV-Related Costs, whether or not such ratemaking treatment results from changes to NV Energy's books of account. In each OATT rate case following the receipt of each Net Recovery Amount (but only for such rate cases initiated before the capital costs of the ON Line are fully depreciated), (i) NV Energy's gross transmission plant investment shall be reduced for ratemaking purposes by the applicable Net Recovery Amount, and (ii) the associated accumulated depreciation reserve and depreciation expense for transmission plant shall be based on such adjusted gross transmission plant investment. Additionally, NV Energy may not in any OATT rate case seek to double recover expenses associated with recovery of WIV-Related Costs as both an expense in any applicable rate case test year and in the calculation of a Net Recovery Amount set out above.
- (d) In connection with the first OATT rate case following the receipt of each specific Net Recovery Amount, if the effective date of the proposed transmission rates is later than the receipt of the Net Recovery Amount, each OATT customer shall receive a one-time billing credit for the period from the receipt of the Net Recovery Amount to the effective date of the rates (a "Credit Period"). Such billing credit shall be provided to the OATT customer promptly following: (1) the effective date of the rate change in such case; or (2) the resolution by Commission order of any settlement and/or litigation

procedures for such rate case; whichever is later. The total billing credit for a given Net Recovery Amount shall be the sum of the monthly credits determined for each month of the Credit Period, as follows:

- (i) A monthly cost of service credit shall be calculated by multiplying the gross transmission plant carrying charge rate for capital costs (the sum of the test year return on investment, income taxes and depreciation expense divided by the test year gross plant investment) times the Net Recovery Amount and dividing the result by 12.
- (ii) Interest will be applied to the monthly cost of service credit at the FERC interest rate (calculated pursuant to 18 C.F.R. § 35.19a) for the applicable portion of the Credit Period plus any additional period between the end of the Credit Period and the date as of which the credits are provided to the OATT customers and any additional period between the date as of which the credits are provided to the OATT customers and the date of any adjustment following the final outcome of the case.
- (iii) The monthly cost of service credit plus such interest will then be divided by the transmission system peak load (equal to network service load plus all long-term firm transmission service reservations) in the applicable month of the Credit Period to determine the monthly billing credit rate, stated on a \$/kW-month basis. The monthly \$/kW-month billing credit rate shall then be multiplied by each OATT customer's contribution to the transmission system peak load in the applicable month of the credit period.

The Parties agree that this ratemaking treatment does not mandate any specific accounting treatment or rate treatment in any other jurisdiction.

3.10 The Settling Parties also realize that the ON Line's other owner, Great Basin Transmission, LLC, may seek recovery through litigation, insurance or otherwise claims of WIV-Related Costs and that such efforts may reduce the amount that NV Energy pays to lease Great Basin's ownership share of the ON Line, which is treated as an expense in NV Energy's cost of service. If and to the extent that NV Energy's lease payment obligations are so reduced, the Settling Parties agree that (a) such reduction will be reflected in the NV Energy cost of service filed in support of future OATT rate cases, and (b) OATT customers will be entitled to a rate credit, including time value (using the FERC interest rate), for their allocable share of any lease payment savings realized by NV Energy before the effective date of the new proposed transmission rates.

3.11 The settlement rates are set forth in the revised NV Energy Operating Companies OATT schedules and Attachment H ("Revised Schedules") (clean and redline versions) provided in Appendix A to this Settlement.

3.12 The Settling Parties agree that the above-stated settlement rates were developed on a 4 coincident peak ("4-CP") basis by apportioning the transmission revenue requirement to the wholesale transmission customers based on their collective average contribution to the system peak loads during the months of June, July, August and September. The Settlement does not change the way Network Integration Transmission Service customers are currently billed for their service.

ARTICLE 4
NON-RATE TERMS AND CONDITIONS SETTLEMENT

4.1 NV Energy, Barrick Mines, CRC, and Ormat also agree to certain changes to the non-rate terms of the NV Energy Operating Companies OATT, as described in Sections 4.2, 4.3, 4.4, and 4.5 below, to be effective 30 days after the Commission's issuance of an order approving the Settlement. These changes (clean and redline versions) are attached as Appendix B to this Settlement. The other Settling Parties do not object to the Settlement described in this Article 4.

4.2 NV Energy and CRC agree to revisions to Section 1.16 and 1.50 clarifying transmission service provided pursuant to a retail open access program. NV Energy and CRC also agree to other non-substantive revisions to other sections of the OATT to reflect the title change of Section 1.50.

4.3 NV Energy and Ormat agree to revisions to Section 19.3 explaining how the Transmission Provider will conduct a requested revised System Impact Study for the study of conditional firm or planning redispatch options.

4.4 NV Energy and Barrick Mines agree to revisions to Section 37 clarifying how the Transmission Provider will use the end-use meter data to determine the monthly Network Load for settlement of hourly imbalance and transmission losses.

4.5 NV Energy and Barrick Mines agree to revisions to Attachment F-1 regarding the role of a Designated Agent and an Eligible Customer's rights if it chooses a new Designated Agent or elects to return as a bundled retail service customer.

**ARTICLE 5
STANDARD OF REVIEW**

5.1 The standard of review for any proposed changes sought by any Settling Party to the terms of this Settlement shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Services Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and *Morgan Stanley Capital Group Inc. v. Pub. Util. Dist. No. 1*, 554 U.S. 527 (2008), and the standard of review for any changes proposed by a non-Settling Party or the Commission acting *sua sponte* shall be the ordinary just and reasonable standard of review, not the public interest standard of review, *see Devon Power LLC*, 134 FERC ¶ 61,208 at P 10 (2011); provided, however, that nothing in this Settlement shall affect the rights of NV Energy, any other Settling Party, the Commission, or any other entity to seek future changes to the rates, terms, and/or conditions of the OATT under Sections 205 or 206 of the Federal Power Act; nor is this Settlement intended to create a standard of review other than the just and reasonable standard for any such future rate changes.

**ARTICLE 6
CONDITIONS OF EFFECTIVENESS**

6.1 The Settlement shall become effective when it has been executed by the Settling Parties and the Commission has issued an order approving the Settlement without material condition or modification and that is no longer subject to a request for rehearing or appeal (“Final Order”).

6.2 Within 30 days of a Commission order accepting this Settlement, NV Energy shall refund, with interest calculated in accordance with 18 C.F.R. § 35.19a, the difference between (a) the amounts that it charged using its as-filed rates, which took effect on January 1, 2014, subject to refund, and continuing through the date that the settlement rates were instituted

on an interim basis and (b) the amounts it would have charged using the settlement rates during that same period.²⁵

6.3 Nothing herein shall be construed as obligating any Settling Party to appeal an order that fails to approve this Settlement.

ARTICLE 7 RESERVATIONS

7.1 This Settlement is an integrated package. None of the terms of the Settlement are agreed to without each of the others. The various provisions of the Settlement are not severable.

7.2 The Settlement is submitted pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, and it is agreed by the Settling Parties that the Settlement shall not be admissible in evidence or made a part of the record in any proceeding except as necessary to implement or enforce the Settlement. The discussions among the Settling Parties have been conducted with the explicit understanding and agreement, pursuant to Rule 602(e) of the Commission's Rules of Practice and Procedure, that all offers of settlement and settlement discussions relating thereto are and shall be privileged and are not to be used in any manner in connection with this proceeding or otherwise (except as may be proper in a proceeding involving the interpretation and enforcement of the terms of the Settlement).

7.3 It is specifically understood and agreed that the Settlement represents a negotiated settlement in the public interest with respect to the matters agreed to herein for the sole purpose

²⁵ On March 26, 2014, the sale of the Apex Plant, located in unincorporated Clark County, north of Las Vegas, Nevada, from Las Vegas Power Company, LLC to Southern California Public Power Authority ("SCPPA") closed. Any refunds, including interest calculated in accordance with 18 C.F.R. § 35.19a, associated with the point-to-point reservation formerly held by Las Vegas Power Company, LLC starting March 27, 2014 will be issued directly to the Los Angeles Department of Water and Power on behalf of SCPPA.

of the settlement of such matters agreed to herein, and neither the Settling Parties nor any other party or person shall be prejudiced or bound thereby in any proceeding, except as specifically provided herein. Neither the Settling Parties, nor any other party or person shall be deemed to have approved, accepted, agreed, or consented to any concept, theory, or principle underlying or supposed to underlie any of the matters provided for herein. Further, the Settlement cannot be used, and no part hereof shall be used, to advance, support, or resist a position taken before the Commission or the courts by any party to this proceeding. A participant's failure to litigate in this proceeding an issue resolved by this Settlement shall not prejudice the participant's right to raise such issue in a future proceeding. The Commission's approval of this Settlement shall not constitute precedent nor be used to prejudice any otherwise available rights or arguments of any party in a future proceeding, other than to enforce the terms of the Settlement, and shall not be used as evidence that a particular method is a "long-standing practice" as that term is used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1975), or a "settled practice" as that term is used in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980).

7.4 If the Commission's order approving the Settlement is conditioned or the Settlement is modified in any material way that is unacceptable to any Settling Party, then, within twenty (20) days thereafter, such Settling Party may withdraw from the Settlement by providing written notice to the Commission and to the other Settling Parties of such withdrawal and by serving the same on all participants to the captioned proceeding.

7.5 If any Settling Party withdraws from this Settlement pursuant to Section 7.4, then the Settlement shall not become effective. In such event, the Settlement shall be a nullity for all purposes and the rights, duties, and obligations of all persons affected by the Settlement shall be

restored as if the Settlement had never been executed; provided, however, that the Settling Parties shall in good faith attempt to modify the Settlement to remove the source of the objection and to preserve the economic values established hereunder.

7.6 The titles and headings of the various Articles of the Settlement are for reference and convenience purposes only, and are not to be construed or taken into account in interpreting the Settlement and do not qualify, modify, or explain the effects of the Settlement.

7.7 Each person executing the Settlement represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to sign for, the party for whom he or she has signed.

7.8 The Settlement is binding upon and for the benefit of the parties and their successors and assigns.

7.9 The Settlement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same Settlement.

[Signatures on Following Pages]

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: 

Printed Name: Timothy K. Shuba

Title: Attorney

Settling Party: Dewmont USA Ltd, City of Fallon, NV

Executed this 2d day of Sept., 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: 

Printed Name: Jayne Harkins

Title: Executive Director

Settling Party: Colorado River Commission of Nevada

Executed this ____ day of Sept., 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: 

Printed Name: Raymond B. Werslich

Title: Partner / Winston & Strawn LLP

Settling Party: Ormat Nevada Inc. and ORNI 47 LLC

Executed this 3rd day of Sept., 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: Curtis K. Winterfeld/OBT

Printed Name: Curtis, K. Winterfeld

Title: Vice President Marketing

Settling Party: Deseret Generation & TRANSMISSION COOPERATIVE, INC.

Executed this 5 day of Sept., 2014

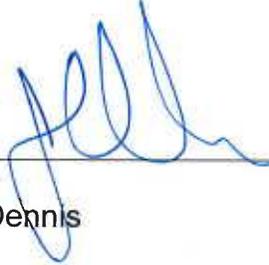
Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-000

ER13-1607-000 (consolidated)

Signature:



Printed Name: John R. Dennis

Title: Director of Power System Planning and Development Division

Settling Party: Los Angeles Department of Water and Power

Executed this 11th day of SEPTEMBER, 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: 

Printed Name: Vicki M. Baldwin

Title: Its Attorney

Settling Party: The Barrick Mines¹⁸

Executed this 25th day of August, 2014

¹⁸ The Barrick Mines are comprised of Barrick Goldstrike Mines Inc. ("Goldstrike"), Barrick Turquoise Ridge Inc. as operator of Turquoise Ridge Joint Venture ("Turquoise Ridge"), and Barrick Cortez Inc. as operator of Cortez Mines ("Cortez").

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-000

ER13-1607-000 (consolidated)

Signature: 

Printed Name: Bill D. Carnahan

Title: Executive Director

Settling Party: Southern California Public Power Authority

Executed this 11th day of SEPT., 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: 

Printed Name: *F. Chico Defante*

Title: *VP, Energy Procurement*

Settling Party: *Liberty Utilities (CalPeco Electric) LLC*

Executed this *27* day of *August*, 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: 
Printed Name: Jeffrey Schwarz

Title: Attorney for

Settling Party: Truckee Donner PUD

Executed this 26th day of August, 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: Walter Spaniel

Printed Name: WALTER SPANIEL

Title: VICE PRESIDENT, TRANSMISSION

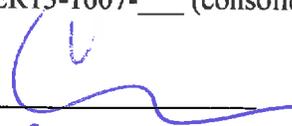
Settling Party: NV ENERGY

Executed this 10 day of Sept, 2014

Settlement Agreement

NV Energy, Inc.

Docket Nos. ER13-1605-____
ER13-1607-____ (consolidated)

Signature: _____ 

Printed Name: Carolynne Klass

Title: SVP

Settling Party: Las Vegas Power Company, LLC

Executed this 18 day of Sept., 2014

PROPOSED LETTER ORDER

DRAFT
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

_____, 2014

In Reply Refer To:
NV Energy, Inc.
Docket Nos. ER13-1605-____
ER13-1607-____
(consolidated)

Christopher R. Jones
Troutman Sanders LLP
401 9th Street NW
Washington, DC 20005

Dear Counsel:

On September 19, 2014 you filed an Offer of Settlement and Settlement Agreement (“Settlement”) on behalf of NV Energy, Inc., on behalf of its public utility subsidiaries Nevada Power Company (“Nevada Power”) and Sierra Pacific Power Company (“Sierra Pacific”) (collectively, “NV Energy” or the “Companies”) and the Settling Parties⁵⁶ in the above-referenced proceeding. On _____, Commission Trial Staff filed comments on the Settlement. On _____, the Settlement Judge certified the Settlement to the Commission as uncontested. The Settlement resolves all outstanding issues in dispute in these proceedings. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of Section 206 of the Federal Power Act, 16 U.S.C. § 824(e)(2006).

By direction of the Commission.

Kimberly D. Bose
Secretary

cc: All Parties

⁵⁶ The “Settling Parties” are NV Energy, The Barrick Mines, Deseret Generation & Transmission Co-operative, Inc., the City of Fallon, Nevada, Colorado River Commission, Las Vegas Power Company, LLC, Los Angeles Department of Water and Power, Newmont USA Limited, the Southern California Public Power Authority, Truckee Donner Public Utility District, Liberty Utilities (CalPeco Electric) LLC, and Ormat Nevada Inc. and ORNI 47 LLC (together “Ormat”).

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of September, 2014, I have caused a copy of the foregoing document to be served electronically on each person listed on the Secretary's official service list for the above-referenced proceeding.

/s/ Patti Pastrell

Patti Pastrell
NV Energy
6100 Neil Rd

Reno, Nevada 89511

APPENDIX A
SETTLEMENT RATES

Nevada Power Company and Sierra Pacific Power Company
d/b/a NV Energy

FERC Transmission Rate Case

Offer of Settlement

Clean Tariff Sheets

Schedules 1-3, 5-6, 7-8, 11 and Attachment H

Schedule 1: Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall maintain, or shall designate a 24 hour, seven days per week scheduling entity for the purposes of communicating with the Transmission Provider regarding all scheduling of the Transmission Customer's loads and/or resources and for coordinating and allocating curtailments and interruptions in Load and the altering of schedules at the request of the Transmission Provider. Such scheduling entity must be registered as a single purchasing selling entity ("PSE") on the NAESB Electric Industry Registry ("EIR") website. Either the Transmission Customer acting on its own behalf, or its designated scheduling entity, will at all times have present a designated member of its staff who will be responsible for operational communications with the Transmission Provider and who will have sufficient authority to commit and bind the Transmission Customer. The Transmission Customer shall provide written notification to the Transmission Provider of a change in its designated scheduling entity as soon as practicable but not later than sixty (60) days prior to the effective date of such change. The Transmission Customer shall be allowed a maximum of two changes to its scheduling entity in a 12-month period.

Pre-schedules shall be submitted through the presentation of an electronic tag ("e-tag"), as defined by the NERC, to the Transmission Provider. The Transmission Customer or its designated scheduling entity is responsible for ensuring that the e-tag is submitted in accordance

with the Operating and Scheduling Protocol posted on the Transmission Provider's OASIS. E-tags which are incomplete or contain incorrect information, will be rejected. Such e-tags may be resubmitted during the pre-scheduling process. However, Transmission Customers who have e-tags which are incomplete or incorrect at the close of pre-schedule will be required to implement their schedule in real-time. Real time schedules and changes to pre-schedule will be communicated to the Transmission Provider via telephone followed immediately by the submission of a correct and complete e-tag or modification to pre-existing tag as appropriate. The Transmission Customer or its designated scheduling entity is responsible for matching its tags and schedules and for ensuring that the information on the tag is correct. The Transmission Customer will be held responsible for any imbalance that may occur as a result of its failure to submit a correct and complete e-tag. Additionally, assessment of reserve requirements will be based on the e-tag.

The Transmission Customer will be allowed to use dynamic scheduling when it is feasible and reliable. Dynamic scheduling involves the arrangement for moving load or generation served within one Control Area such that the load or generation is recognized in the real-time control and dispatch of another Control Area. If a Transmission Customer requests that the Transmission Provider perform dynamic scheduling, the Transmission Provider will provide this service at negotiated rates, terms and conditions. Such negotiated rates, terms and conditions will be subject to Commission approval.

For Point-to-Point Transmission Service, the rate shall be applied to the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

\$85.00/MW per month

19.62/MW per week

2.80/MW per day

0.12/MW per hour

Schedule 2: Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Control Area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

For Point-to-Point Transmission Service, the rate shall be applied to the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

Maximum Rate:

\$300.00/MW per month

69.23/MW per week

11.54/MW per day on-peak

9.89/MW per day off-peak

0.72/MW per hour on-peak

0.41/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the North American Electric Reliability Corporation (NERC). The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity in any hour during such week.

Schedule 3: Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge the Transmission Customer under either Schedule 3 or Schedule 11 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

Regulation and Frequency Response Service as provided under this Tariff is only applicable to those Point(s) of Delivery located within the Transmission Provider's Control Area.

1. Maximum Rate:

\$7,500.00/MW per month

1,730.77/MW per week

288.46/MW per day on-peak

247.25/MW per day off-peak

18.03/MW per hour on-peak

10.30/MW per hour off-peak

which shall be applied to the billing demand for such service.

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of billing demand in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of billing demand in any hour during such week.

2. Billing Demand for Service:

- A. Except as provided in paragraph B below, a Transmission Customer that elects to purchase Regulation and Frequency Response Service from the Transmission Provider shall purchase an amount of capacity in kilowatts from the Transmission Provider each month equal to 1.1% of the following:
 - (i) For Point-to-Point Transmission Service, Reserved Capacity; or
 - (ii) For Network Integration Service, the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

- B. To the extent that the Transmission Provider determines that a Transmission Customer's specific requirements for Regulation and Frequency Response Service

are greater than the billing demand determined pursuant to paragraph A above, the Transmission Provider shall have the right (upon filing with the Commission under Section 205 of the Federal Power Act) to seek to require a higher billing demand for Regulation and Frequency Response Service. To the extent that the Transmission Customer determines that its specific requirements for Regulation and Frequency Response Service are less than the billing demand determined pursuant to paragraph A above, the Transmission Customer has the right (upon filing with the Commission under Section 206 of the Federal Power Act) to seek to lower its billing demand for such service.

Schedule 5: Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. A Transmission Customer who makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Spinning Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Energy Imbalance Incremental Energy Cost plus Schedule 5 Spinning Reserve Service obligations equivalent to three months charges.

The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a level of Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. Interruptible imports include energy purchases from a single generating unit (unit contingent) or energy purchases across a non-firm Transmission path. The Operating Reserves

will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase a minimum one-half of its Operating Reserve requirements from Spinning Reserves. Any additional amount of Spinning Reserve Service above the minimum can also be purchased from the Transmission Provider.

For Point-to-Point Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Transmission Customer's Monthly Network Load as determined for each month pursuant to the methodology set forth in Section 34.2 of this Tariff.

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Spinning Reserve Percent, thermal	3.5%
Spinning Reserve Percent, hydro	2.5%

Maximum Rates:

\$7,500.00/MW per month
1,730.77/MW per week
288.46/MW per day on-peak
247.25/MW per day off-peak
18.03/MW per hour on-peak
10.30/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest

amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider, does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission Customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 6: Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. A Transmission Customer who makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Supplemental Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Energy Imbalance Incremental Energy Cost plus Schedule 6 Supplemental Reserve Service obligations equivalent to three months charges.

The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a minimum level of Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. Interruptible imports include energy purchases from a single generating unit (unit

contingent) or energy purchases across a non-firm transmission path. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase one-half of its Operating Reserve requirements from Spinning Reserves and the remainder of the Operating Reserve requirements from Supplemental Reserves.

For Point-to-Point Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Transmission Customer's Monthly Network Load as determined pursuant to the methodology set forth in Section 34.2 of this Tariff.

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Supplemental Reserve Percent, thermal	3.5%
Supplemental Reserve Percent, hydro	2.5%

Maximum Rates:

\$6,600.00/MW per month
1,523.08/MW per week
253.85/MW per day on-peak
217.58/MW per day off-peak
15.87/MW per hour on-peak
9.07/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest

amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider, does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

**Schedule 7:
Long-Term Firm and Short-Term Firm
Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity up to the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of
\$31.76/kW of Reserved Capacity per year or
- 2) **Monthly delivery:**
\$2.65/kW of Reserved Capacity per month or
- 3) **Weekly delivery:**
\$0.61/kW of Reserved Capacity per week or
- 4) **Daily On-Peak delivery:**
\$0.10/kW of Reserved Capacity per day or
- 5) **Daily Off-Peak delivery:**
\$0.09/kW of Reserved Capacity per day or

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. Energy losses associated with Point-To-Point service under this schedule will not affect the Reserved Capacity.

6) Discounts:

Three principal requirements apply to discounts for transmission service as follows:

- (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS,

- (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and
- (3) once a discount is negotiated, details must be immediately posted on the OASIS.

For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) Unreserved Use Penalty:

If a Transmission Customer exceeds its Reserved Capacity at any Point of Receipt and/or any Point of Delivery the Transmission Customer shall be charged 200% of the applicable Schedule 7 demand charge (i.e., Yearly, Monthly Weekly or Daily). The penalty shall be based on the period of unreserved use, subject to the following principles.

- (1) The unreserved use penalty for a single hour of unreserved will be based on the rate for daily firm point-to-point service.
- (2) More than one assessment for a given duration (e.g., daily) will increase the penalty period to the next longest duration (e.g., weekly).
- (3) The unreserved use penalty for multiple instances of unreserved use (i.e., more than one hour) within a day will be based on the rate for daily firm point-to-point service.
- (4) The unreserved use penalty for multiple instances of unreserved use during one calendar week shall result in a penalty based on the charge for weekly firm point-to-point service.
- (5) The unreserved use penalty for multiple instances of unreserved use during more than one week during a calendar month will be based on the charge for monthly firm point-to-point service.
- (6) Ancillary service charges for unreserved use will be based on the actual period of unreserved use.

(7) All unreserved uses of the Transmission System are considered uses of firm point-to-point transmission service, even if the Transmission Customer is taking Network Integration Transmission Service or Non-Firm Point-to-Point Transmission Service.

8) Resales:

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

9) Other Services Not Covered:

With one exception, transmission services provided pursuant to this Schedule do not include use by the Transmission Provider of any transmission service path available to the Transmission Provider under any contract with a Third Party.** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Schedule 7.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

Schedule 8: Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:**
\$2.65/kW of Reserved Capacity per month or
- 2) **Weekly delivery:**
\$0.61/kW of Reserved Capacity per week or
- 3) **Daily On-Peak delivery:**
\$0.10/kW of Reserved Capacity per day or
- 4) **Daily Off-Peak delivery:**
\$0.09/kW of Reserved Capacity per day or

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) **Hourly delivery:**

The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the following rates:

\$6.25/MWH On-Peak and \$3.75/MWH Off-Peak

- The **On-Peak** period shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday.
- The **Off-Peak** periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week. Energy losses associated with Point-To-Point Service under this schedule will not affect the Reserved Capacity.

6) Discounts:

Three principal requirements apply to discounts for transmission service as follows:

- (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS,
- (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and
- (3) once a discount is negotiated, details must be immediately posted on the OASIS.

For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) Resales:

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

8) Other Services Not Covered:

With one exception, transmission services provided pursuant to this Schedule do not include use by the Transmission Provider of any transmission service path available to the Transmission Provider under any Contract with a Third Party.** If any existing or prospective Transmission

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission

Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Schedule 8.

services provided pursuant to this Schedule can include use of such southbound capacity.

Schedule 11: Regulation and Frequency Response Service for Generators Selling Outside of Control Area

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the generator that is a Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer under either Schedule 3 or 11 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

Regulation and Frequency Response Service as provided under this Tariff is only applicable to those Point(s) of Delivery located at the interface(s) of the Transmission Provider's Control Area.

1. Maximum Rate:

\$7,500.00/MW per month

1,730.77/MW per week

288.46/MW per day on-peak

247.25/MW per day off-peak

18.03/MW per hour on-peak

10.30/MW per hour off-peak

which shall be applied to the billing demand for such service.

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of billing demand in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of billing demand in any hour during such week.

2. Billing Demand for Service:

- A. Except as provided in paragraph B below, a Transmission Customer that elects to purchase Regulation and Frequency Response Service from the Transmission Provider shall purchase an amount of capacity in kilowatts from the Transmission Provider each month equal to 1.1% of the Point-to-Point Transmission Service, Reserved Capacity.
- B. To the extent that the Transmission Provider determines that a Transmission Customer's specific requirements for Regulation and Frequency Response Service are greater than the billing demand determined pursuant to paragraph A above,

the Transmission Provider shall have the right (upon filing with the Commission under Section 205 of the Federal Power Act) to seek to require a higher billing demand for Regulation and Frequency Response Service. To the extent that the Transmission Customer determines that its specific requirements for Regulation and Frequency Response Service are less than the billing demand determined pursuant to paragraph A above, the Transmission Customer has the right (upon filing with the Commission under Section 206 of the Federal Power Act) to seek to lower its billing demand for such service.

Attachment H:
**Annual Transmission Revenue Requirement For Network
Integration Transmission Service**

1. The Demand Charge for purposes of the Network Integration Transmission Service shall be:

\$2.65 per kW/Month
2. The amounts in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.
3. With one exception, transmission services provided pursuant to this Attachment H do not include use by the Transmission Provider of any Transmission service path available to the Transmission Provider under any contract with a Third Party. ** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Attachment H.
4. All quantities used in calculating the Network Customer's Network Load and Transmission Provider's Monthly Transmission System Peak shall be at the transmission system input level, i.e., include the transmission capacity amount associated with any applicable losses.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

Nevada Power Company and Sierra Pacific Power Company
d/b/a NV Energy

FERC Transmission Rate Case

Offer of Settlement

Marked Tariff Sheets

Schedules 1-3, 5-6, 7-8, 11 and Attachment H

Schedule 1: Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall maintain, or shall designate a 24 hour, seven days per week scheduling entity for the purposes of communicating with the Transmission Provider regarding all scheduling of the Transmission Customer's loads and/or resources and for coordinating and allocating curtailments and interruptions in Load and the altering of schedules at the request of the Transmission Provider. Such scheduling entity must be registered as a single purchasing selling entity ("PSE") on the NAESB Electric Industry Registry ("EIR") website. Either the Transmission Customer acting on its own behalf, or its designated scheduling entity, will at all times have present a designated member of its staff who will be responsible for operational communications with the Transmission Provider and who will have sufficient authority to commit and bind the Transmission Customer. The Transmission Customer shall provide written notification to the Transmission Provider of a change in its designated scheduling entity as soon as practicable but not later than sixty (60) days prior to the effective date of such change. The Transmission Customer shall be allowed a maximum of two changes to its scheduling entity in a 12-month period.

Pre-schedules shall be submitted through the presentation of an electronic tag ("e-tag"), as defined by the NERC, to the Transmission Provider. The Transmission Customer or its designated scheduling entity is responsible for ensuring that the e-tag is submitted in accordance

with the Operating and Scheduling Protocol posted on the Transmission Provider's OASIS. E-tags which are incomplete or contain incorrect information, will be rejected. Such e-tags may be resubmitted during the pre-scheduling process. However, Transmission Customers who have e-tags which are incomplete or incorrect at the close of pre-schedule will be required to implement their schedule in real-time. Real time schedules and changes to pre-schedule will be communicated to the Transmission Provider via telephone followed immediately by the submission of a correct and complete e-tag or modification to pre-existing tag as appropriate. The Transmission Customer or its designated scheduling entity is responsible for matching its tags and schedules and for ensuring that the information on the tag is correct. The Transmission Customer will be held responsible for any imbalance that may occur as a result of its failure to submit a correct and complete e-tag. Additionally, assessment of reserve requirements will be based on the e-tag.

The Transmission Customer will be allowed to use dynamic scheduling when it is feasible and reliable. Dynamic scheduling involves the arrangement for moving load or generation served within one Control Area such that the load or generation is recognized in the real-time control and dispatch of another Control Area. If a Transmission Customer requests that the Transmission Provider perform dynamic scheduling, the Transmission Provider will provide this service at negotiated rates, terms and conditions. Such negotiated rates, terms and conditions will be subject to Commission approval.

For Point-to-Point Transmission Service, the rate shall be applied to the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

~~\$99.1585.00~~/MW per month

~~22.8819.62~~/MW per week

~~3.272.80~~/MW per day

~~0.140.12~~/MW per hour

Schedule 2: Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Control Area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

For Point-to-Point Transmission Service, the rate shall be applied to the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.

Maximum Rate:

~~\$416.07~~300.00/MW per month

~~96.02~~69.23/MW per week

~~16.00~~11.54/MW per day on-peak

~~13.72~~9.89/MW per day off-peak

~~1.00~~0.72/MW per hour on-peak

~~0.57~~0.41/MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the North American Electric Reliability Corporation (NERC). The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity in any hour during such week.

Schedule 3: Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge the Transmission Customer under either Schedule 3 or Schedule 11 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

Regulation and Frequency Response Service as provided under this Tariff is only applicable to those Point(s) of Delivery located within the Transmission Provider's Control Area.

1. Maximum Rate:

~~\$8,280.00~~7,500.00/MW per month

~~1,910.77~~1,730.77/MW per week

~~318.46~~288.46/MW per day on-peak

~~272.97~~247.25/MW per day off-peak

~~19.90~~18.03/MW per hour on-peak

~~11.37~~10.30/MW per hour off-peak

which shall be applied to the billing demand for such service.

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of billing demand in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of billing demand in any hour during such week.

2. Billing Demand for Service:

- A. Except as provided in paragraph B below, a Transmission Customer that elects to purchase Regulation and Frequency Response Service from the Transmission Provider shall purchase an amount of capacity in kilowatts from the Transmission Provider each month equal to 1.1% of the following:
 - (i) For Point-to-Point Transmission Service, Reserved Capacity; or
 - (ii) For Network Integration Service, the Transmission Customer's Monthly Network Load as determined for each month during such period pursuant to the methodology set forth in Section 34.2 of this Tariff.
- B. To the extent that the Transmission Provider determines that a Transmission Customer's specific requirements for Regulation and Frequency Response Service

are greater than the billing demand determined pursuant to paragraph A above, the Transmission Provider shall have the right (upon filing with the Commission under Section 205 of the Federal Power Act) to seek to require a higher billing demand for Regulation and Frequency Response Service. To the extent that the Transmission Customer determines that its specific requirements for Regulation and Frequency Response Service are less than the billing demand determined pursuant to paragraph A above, the Transmission Customer has the right (upon filing with the Commission under Section 206 of the Federal Power Act) to seek to lower its billing demand for such service.

Schedule 5: Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. A Transmission Customer who makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Spinning Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Spinning Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Energy Imbalance Incremental Energy Cost plus Schedule 5 Spinning Reserve Service obligations equivalent to three months charges.

The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a level of Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. Interruptible imports include energy purchases from a single generating unit (unit contingent) or energy purchases across a non-firm Transmission path. The Operating Reserves

will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase a minimum one-half of its Operating Reserve requirements from Spinning Reserves. Any additional amount of Spinning Reserve Service above the minimum can also be purchased from the Transmission Provider.

For Point-to-Point Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Spinning Reserve percentage times the Transmission Customer's Monthly Network Load as determined for each month pursuant to the methodology set forth in Section 34.2 of this Tariff.

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Spinning Reserve Percent, thermal	3.5%
Spinning Reserve Percent, hydro	2.5%

Maximum Rates:

\$8,2807.500 .00/MW per month
1,910.771,730.77 /MW per week
318.46288.46 /MW per day on-peak
272.97247.25 /MW per day off-peak
19.9018.03 /MW per hour on-peak
11.3710.30 /MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest

amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Spinning Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider, does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission Customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 6: Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. A Transmission Customer who makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation must have capacity pre-scheduled for the reserves, including but not limited to Transmission Capacity, and must adhere to WECC Operating Criteria to satisfy its Supplemental Reserve Service obligation. In the event that the Transmission Customer makes alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation and the reserves are not available, the Transmission Customer will be billed for the resulting energy imbalance at 200% of the applicable Schedule 4 Energy Imbalance Incremental Energy Cost plus Schedule 6 Supplemental Reserve Service obligations equivalent to three months charges.

The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer must provide a minimum level of Operating Reserves equal to the Operating Reserve Percent of its transmission load that is supplied with firm resources and a level of Operating Reserves equal to the interruptible imports of the Transmission Customer. The levels of Operating Reserve must be in accordance with WECC “Minimum Operating Reliability Criteria”, Contingency Reserve and Additional Reserve for Interruptible Imports sections. Interruptible imports include energy purchases from a single generating unit (unit

contingent) or energy purchases across a non-firm transmission path. The Operating Reserves will provide the Transmission Customer with a one-hour reserve to cover a loss of their source of supply. The Transmission Customer shall agree to purchase one-half of its Operating Reserve requirements from Spinning Reserves and the remainder of the Operating Reserve requirements from Supplemental Reserves.

For Point-to-Point Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Reserved Capacity. For Network Integration Transmission Service, the rate shall be applied to the Supplemental Reserve percentage times the Transmission Customer's Monthly Network Load as determined pursuant to the methodology set forth in Section 34.2 of this Tariff.

Minimum Operating Reserve Requirements:

Operating Reserve Percent, thermal	7.0%
Operating Reserve Percent, hydro	5.0%
Supplemental Reserve Percent, thermal	3.5%
Supplemental Reserve Percent, hydro	2.5%

Maximum Rates:

\$7,3606,600.00 /MW per month
1,698.461,523.08 /MW per week
283.08253.85 /MW per day on-peak
242.64217.58 /MW per day off-peak
17.6915.87 /MW per hour on-peak
10.119.07 /MW per hour off-peak

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest

amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of Reserved Capacity times the Supplemental Reserve percentage in any hour during such week.

Notwithstanding the above, in the event that the Transmission Provider, does not have sufficient Operating Reserves to provide this service in addition to its prior commitments, the Transmission Provider will acquire the Operating Reserves and directly charge the Transmission customer the incremental cost of providing the Operating Reserves. The Transmission Provider will file the incremental cost rate under Section 205 and include the charge in the Transmission Customer's service agreement.

Schedule 7: Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity up to the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of
| ~~\$42.84~~31.76/kW of Reserved Capacity per year or

- 2) **Monthly delivery:**
| ~~\$3.57~~2.65/kW of Reserved Capacity per month or

- 3) **Weekly delivery:**
| ~~\$0.82~~61/kW of Reserved Capacity per week or

- 4) **Daily On-Peak delivery:**
| ~~\$0.14~~10/kW of Reserved Capacity per day or

- 5) **Daily Off-Peak delivery:**
| ~~\$0.12~~09/kW of Reserved Capacity per day or

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week. Energy losses associated with Point-To-Point service under this schedule will not affect the Reserved Capacity.

6) Discounts:

Three principal requirements apply to discounts for transmission service as follows:

- (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS,

- (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and
- (3) once a discount is negotiated, details must be immediately posted on the OASIS.

For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) Unreserved Use Penalty:

If a Transmission Customer exceeds its Reserved Capacity at any Point of Receipt and/or any Point of Delivery the Transmission Customer shall be charged 200% of the applicable Schedule 7 demand charge (i.e., Yearly, Monthly Weekly or Daily). The penalty shall be based on the period of unreserved use, subject to the following principles.

- (1) The unreserved use penalty for a single hour of unreserved will be based on the rate for daily firm point-to-point service.
- (2) More than one assessment for a given duration (e.g., daily) will increase the penalty period to the next longest duration (e.g., weekly).
- (3) The unreserved use penalty for multiple instances of unreserved use (i.e., more than one hour) within a day will be based on the rate for daily firm point-to-point service.
- (4) The unreserved use penalty for multiple instances of unreserved use during one calendar week shall result in a penalty based on the charge for weekly firm point-to-point service.
- (5) The unreserved use penalty for multiple instances of unreserved use during more than one week during a calendar month will be based on the charge for monthly firm point-to-point service.
- (6) Ancillary service charges for unreserved use will be based on the actual period of unreserved use.

(7) All unreserved uses of the Transmission System are considered uses of firm point-to-point transmission service, even if the Transmission Customer is taking Network Integration Transmission Service or Non-Firm Point-to-Point Transmission Service.

8) Resales:

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

9) Other Services Not Covered:

With one exception, transmission services provided pursuant to this Schedule do not include use by the Transmission Provider of any transmission service path available to the Transmission Provider under any contract with a Third Party.** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Schedule 7.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

Schedule 8: Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

1) Monthly delivery:

~~\$3.572.65~~/kW of Reserved Capacity per month or

2) Weekly delivery:

~~\$0.8261~~/kW of Reserved Capacity per week or

3) Daily On-Peak delivery:

~~\$0.1410~~/kW of Reserved Capacity per day or

4) Daily Off-Peak delivery:

~~\$0.1209~~/kW of Reserved Capacity per day or

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) Hourly delivery:

The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the following rates:

~~\$8.756.25~~/MWH On-Peak and ~~\$5.003.75~~/MWH Off-Peak

- The **On-Peak** period shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday.
- The **Off-Peak** periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week. Energy losses associated with Point-To-Point Service under this schedule will not affect the Reserved Capacity.

6) Discounts:

Three principal requirements apply to discounts for transmission service as follows:

- (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS,
- (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and
- (3) once a discount is negotiated, details must be immediately posted on the OASIS.

For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) Resales:

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

8) Other Services Not Covered:

With one exception, transmission services provided pursuant to this Schedule do not include use by the Transmission Provider of any transmission service path available to the Transmission Provider under any Contract with a Third Party.** If any existing or prospective Transmission

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission

Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Schedule 8.

services provided pursuant to this Schedule can include use of such southbound capacity.

Schedule 11: Regulation and Frequency Response Service for Generators Selling Outside of Control Area

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes for a generator located within the Control Area that is selling outside of the Control Area.

The obligation to maintain this balance between resources and the generator's schedule lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The generator located within the Control Area selling outside of the Control Area that is a Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the generator that is a Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer under either Schedule 3 or 11 for the regulation and frequency response burden imposed by the Transmission Customer, but not both.

Regulation and Frequency Response Service as provided under this Tariff is only applicable to those Point(s) of Delivery located at the interface(s) of the Transmission Provider's Control Area.

1. Maximum Rate:

~~\$8,2807,500~~.00/MW per month

~~1,910.771,730.77~~/MW per week

~~318288~~.46/MW per day on-peak

~~272.97247.25~~/MW per day off-peak

~~19.9018.03~~/MW per hour on-peak

~~11.3710.30~~/MW per hour off-peak

which shall be applied to the billing demand for such service.

The On-Peak Period for Daily service shall be all hours Monday through Saturday, excluding holidays as designated annually by the NERC. The On-Peak period for Hourly service shall consist of Hour Ending (HE) 0700 through HE 2200 PST, Monday through Saturday. The Off-Peak periods shall consist of HE 0100 through HE 0600, HE 2300 and HE 2400 PST, Monday through Saturday; HE 0100 through HE 2400 PST on Sunday and additional Off-Peak days (holidays) as designated annually by NERC.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily rate specified above times the highest amount in megawatts of billing demand in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily service, shall not exceed the Weekly rate specified above times the highest amount in megawatts of billing demand in any hour during such week.

2. Billing Demand for Service:

- A. Except as provided in paragraph B below, a Transmission Customer that elects to purchase Regulation and Frequency Response Service from the Transmission Provider shall purchase an amount of capacity in kilowatts from the Transmission Provider each month equal to 1.1% of the Point-to-Point Transmission Service, Reserved Capacity.
- B. To the extent that the Transmission Provider determines that a Transmission Customer's specific requirements for Regulation and Frequency Response Service are greater than the billing demand determined pursuant to paragraph A above,

the Transmission Provider shall have the right (upon filing with the Commission under Section 205 of the Federal Power Act) to seek to require a higher billing demand for Regulation and Frequency Response Service. To the extent that the Transmission Customer determines that its specific requirements for Regulation and Frequency Response Service are less than the billing demand determined pursuant to paragraph A above, the Transmission Customer has the right (upon filing with the Commission under Section 206 of the Federal Power Act) to seek to lower its billing demand for such service.

**Attachment H:
Annual Transmission Revenue Requirement For Network
Integration Transmission Service**

1. The Demand Charge for purposes of the Network Integration Transmission Service shall be:

~~\$3.572.65~~ per kW/Month

2. The amounts in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.
3. With one exception, transmission services provided pursuant to this Attachment H do not include use by the Transmission Provider of any Transmission service path available to the Transmission Provider under any contract with a Third Party. ** If any existing or prospective Transmission Customer desires a transmission service over any such path, the Transmission Provider may (but is not required under this Tariff to) assign to that Transmission Customer the right to use that path. Any such assignment will not affect the obligation of the Transmission Customer to pay for services performed by the Transmission Provider's facilities in accordance with this Attachment H.
4. All quantities used in calculating the Network Customer's Network Load and Transmission Provider's Monthly Transmission System Peak shall be at the transmission system input level, i.e., include the transmission capacity amount associated with any applicable losses.

** The one exception consists of the rights of Transmission Provider--pursuant to May 28, 1981 Interconnection and Transmission Services Agreement between Idaho Power Company and Sierra Pacific Power Company, as amended--to all of the southbound capacity on the 345 kV Midpoint to Valmy transmission line that is the subject of such Agreement. Transmission services provided pursuant to this Schedule can include use of such southbound capacity.

APPENDIX B

NON-RATE TERMS AND CONDITIONS SETTLEMENT

Nevada Power Company and Sierra Pacific Power Company
d/b/a NV Energy

FERC Transmission Rate Case

Offer of Settlement

Clean Tariff Sheets

Non-rate Terms and Conditions

**NEVADA POWER COMPANY and
SIERRA PACIFIC POWER COMPANY**

(“NV ENERGY”)

OPEN ACCESS

TRANSMISSION TARIFF

(“OATT” or “Tariff”)

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I. Common Service Provisions

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 ANSI:

American National Standards Institute.

1.5 Application:

A request by an Eligible Customer or Designated Agent for transmission service pursuant to the provisions of the Tariff.

1.6 Approved Credit Rating:

A short-term debt rating of not less than A2 by Standard and Poor's Corporation or a rating of not less than P2 by Moody's Investors Service or an equivalent rating from any other reputable credit rating agency. A federal agency shall be deemed to have

an Approved Credit Rating if its financial obligations under the Tariff are backed by the full faith and credit of the United States.

1.7 Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.8 Commission:

The Federal Energy Regulatory Commission.

1.9 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.10 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.11 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.12 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.13 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.14 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.15 Eligible Customer:

- (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.
- (ii) Any eligible retail customer taking unbundled Transmission Service pursuant to Retail Access or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer and shall take service pursuant to Part IV of the Tariff.

1.16 End-Use Customer:

A consumer of electric energy receiving unbundled electric transmission service from the Transmission Provider pursuant to a Retail Access program. An End-Use Customer shall have a Designated Agent.

1.17 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.18 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.19 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.20 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.21 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff. Load Ratio Share will be calculated on a rolling twelve month basis.

1.22 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.23 Local Regulatory Authority:

The state or local government authority responsible for the regulation or oversight of a Utility Distribution Company.

1.24 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.25 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.26 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.27 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.28 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point- To-Point Transmission Service that may be necessary for such non-designated load.

1.29 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.30 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.31 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.32 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.33 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.34 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.35 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 and Part 38 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.36 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.37 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.38 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.39 Part IV:

Tariff Sections 36 through 38 pertaining to Retail Access Transmission Service in conjunction with the applicable Common Service Provisions of Part I, the Point-To-Point Transmission Provisions of Part II, the Network Integration Transmission Service provisions of Part III and appropriate Schedules and Attachments.

1.40 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.41 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.42 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.43 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.44 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.45 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.46 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.47 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.48 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.49 Retail Access Transmission Service:

Transmission Service that is reserved and scheduled between the Transmission Provider and an eligible retail customer (who has met the requirements under Retail Access to obtain such service) under Part IV of this Tariff.

1.50 Retail Access:

A program established pursuant to NRS Chapter 704B or NRS 704.787, under which the Transmission Provider offers unbundled transmission service.

1.51 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.52 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.53 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.54 Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section 29.2 that (1) goes to physical delivery to serve a Network Customer's Network Load, (2) solely as a result of a Bookout involving a Network Resource and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section 29 of the Tariff to deliver power to the Network Customer's Network Load.

1.55 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger

Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.56 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.57 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.58 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions and in the Ancillary Services schedules to include customers receiving transmission service under Part II and Part III of this Tariff.

1.59 Transmission Owner:

Sierra Pacific Power Company and Nevada Power Company ("NV Energy")

1.60 Transmission Provider:

The public utility that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff, which is:

Nevada Power Company ("Nevada Power," "NEVP," "NV Energy"), for itself, and as the Designated Agent for Sierra Pacific Power Company.

1.61 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.62 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis

1.63 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.64 Utility Distribution Company (“UDC”):

An entity which will continue to provide services regulated by a Local Regulatory Authority for (1) the distribution of electricity to customers and (2) energy to those customers who do not choose Retail Access.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies;

however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.
- (iv) If multiple Eligible Customers request their service requests be studied together in a cluster, the Transmission Provider will determine whether it can reasonably accommodate their request for purposes of the System Impact Study. All Eligible Customers in the queue requesting to be studied together will be studied if it is reasonable to do so without regard to position in the queue. The Transmission Provider may study a service request separately to the extent warranted upon the request of an Eligible Customer requesting to opt out of the cluster or at the discretion of the Transmission Provider based upon Good Utility Practice. The costs of the System Impact Study shall be pro-rated among the Eligible Customers.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify:

- (1) any system constraints identified with specificity by transmission element or flowgate,
- (2) redispatch options, (when requested by an Eligible Customer) including an estimate of the cost of redispatch,

- (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and
- (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service

For customers requesting the study of redispatch options, the System Impact Study shall:

- (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and
- (2) provide a measurement of each resource's impact on the system constraint.

If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study.

In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. Alternatively, the Eligible Customer may request within fifteen (15) days of completion of the System Impact Study that the Transmission Provider conduct a revised System Impact Study, at the Eligible Customer's expense, of the Transmission Provider's ability to provide transmission service with redispatch of the Transmission Provider's resources or conditional

curtailment transmission service as contemplated by Section 15.4. The Transmission Provider shall have sixty (60) days to complete any such revised System Impact Study using due diligence. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, or Revised System Impact Study, as the case may be, the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study, or Revised System Impact Study, as the case may be, indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, or Revised System Impact Study, as the case may be, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of

- (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer,

- (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and
- (iii) the time required to complete such construction and initiate the requested service.

The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff.

In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-

Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

IV. Retail Access Transmission Service

Preamble

The Transmission Provider will provide Retail Access Transmission Service to any eligible retail customer or authorized agency taking unbundled Transmission Service pursuant to Retail Access.

36 Application

The Transmission Provider will accept applications for Retail Access Transmission Service from any eligible retail customer or authorized agency taking unbundled Transmission Service pursuant to Retail Access. The Application shall indicate that service is being requested by an eligible retail customer or authorized agency for either Point-To-Point Transmission Service and/or Network Integration Transmission Service, and shall contain the information requested in Part II or Part III of the Tariff, as applicable. An eligible retail customer or authorized agency may apply for both Point-To-Point Transmission Service and Network Integration Transmission Service, with the limitation that only one type of service may be used at a single discrete Point of Delivery. Each eligible retail customer or authorized agency must have a minimum of one (1) MW of load under each type of Transmission Service requested to accommodate scheduling requirements. Service for eligible retail customers or an authorized agency may not commence until a Service Agreement has been filed with the Commission.

36.1 Responsibilities:

The eligible retail customer or authorized agency shall be responsible for:

- (1) Paying the Transmission Provider's bill in accordance with this Tariff;
- (2) If Retail Access Transmission Service is being provided by an authorized agency, such authorized agency shall be responsible for aggregating the loads and resources for all eligible retail customers which it serves, and submitting a balanced schedule for capacity and energy for those eligible retail customers; and
- (3) Coordinating and allocating curtailments and interruptions in Load and the altering of schedules at the request of the Transmission Provider.

36.2 Termination of Service Agreement:

A Retail Access Transmission Service Agreement can be terminated by the Transmission Provider on written notice:

- (1) if the eligible retail customer or authorized agency no longer meets the requirements for Retail Access Transmission Service;
 - (2) if the eligible retail customer or authorized agency fails to pay any sum under this Tariff and fails to remedy the default within a period of seven (7) days after the Transmission Provider has given written notice of the default;
- or
- (3) if the eligible retail customer or authorized agency commits any other default under this Tariff or an applicable Network Operating Agreement which, if capable of being remedied, is not remedied within thirty (30) days after the Transmission Provider has given written notice of the default.

The Transmission Provider will, as soon as reasonably practicable following the occurrence of any of the events specified above notify the eligible retail customer or authorized agency that the Service Agreement is being terminated. Upon the occurrence of (1), (2) or (3) above, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves such a request.

37 Billing

The eligible retail customer or authorized agency must be a Point-To-Point and/or Network Customer under this Tariff, and the Transmission Provider will maintain a contractual relationship with the eligible retail customer or authorized agency. As the Point-To-Point Transmission and/or Network Customer, the eligible retail customer or authorized agency is responsible pursuant to Section 7 for payment of charges for all services provided under the Tariff. The Transmission Provider will use the end-use meter data, adjusted as necessary for distribution system losses, to determine the monthly Network Load for Network Customers and for settlement of hourly imbalance and transmission losses for both Network Customers (under Part III) and Point-To-Point Transmission Customers (under Part II). Such end-use meter data shall be collected by the Transmission Provider and shall be an accurate measure of the actual consumption of energy by each Eligible Customer in each hour of the calendar month.

Attachment A-2:
**Form Of Service Agreement For Firm Point-To-Point Retail
Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy ("Transmission Provider"), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer certifies that it is an eligible retail customer or End-Use Customer with authorized agency pursuant to Retail Access.
- 3.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 4.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 5.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 6.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Transmission Customer:

End-Use Customer:

8.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

End-Use Customer:

By: _____
Name Title Date

**Specifications For Long-Term Firm Point-To-Point
Transmission Service**

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point of Receipt Delivering Party

4.0 Point of Delivery Receiving Party

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Power Factor Requirements: _____

Attachment F-1:
**Retail Access Form Of Service Agreement For Network Integration
Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (“Transmission Provider”) and _____ (“Network Customer”/“Designated Agent”) and _____ (“Eligible Customer”). The Network Customer and Designated Agent are collectively referred to in this Attachment F-1 as “Network Customer.”
- 2.0 The Eligible Customer certifies it has satisfied or meets the requirements to obtain open Retail Access Transmission Service pursuant to Retail Access under which the Transmission Provider offers unbundled retail transmission service.
- 3.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”).
- 4.0 The Network Customer has provided to the Transmission Provider an Application Deposit in the amount of \$_____, in accordance with the provisions of Section 29.2 of the Tariff.
- 5.0 Service under this agreement shall commence on the later of: (1) the requested service date as indicated in the Specifications for Network Integration Transmission Service, Section 2; (2) the date on which construction of any Direct Assignment Facilities are completed; (3) the date that Network Upgrades are completed (or in the alternative, a temporary release of capacity as set forth in the Specifications for Network Integration Transmission Service is provided); or (4) such other date as it is permitted to become effective by the Commission. A Network Customer having point(s) of interconnection on Transmission Provider’s Transmission System shall be required to have a Network Operating

Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on _____.

6.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement and the Network Operating Agreement as they may be amended from time to time.

7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Network Customer/Designated Agent:

End-Use Customer/Eligible Customer:

8.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Network Customer/Designated Agent:

By: _____
Name Title Date

End-Use Customer/Eligible Customer:

By: _____
Name Title Date

**SPECIFICATIONS FOR RETAIL ACCESS NETWORK INTEGRATION
TRANSMISSION SERVICE**

1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy (“Transmission Provider”) and _____ (“Network Customer”/”Designated Agent”) and _____ (“Eligible Customer”). The Network Customer and Designated Agent are collectively referred to in this Attachment F-1 as “Network Customer.” The eligible retail customer or End-Use Customer with an authorized agency certifies it has satisfied or meets the requirements to obtain open Retail Access Transmission Service pursuant to Retail Access under which the Transmission Provider offers unbundled retail transmission service.

2.0 Term of Network Service:

Requested Start Date: _____

Termination Date: _____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):

MWs of the eligible retail customer or authorized agency’s requirements may originate from firm resources located outside of the Transmission Provider’s Control Area and will be transmitted across the Transmission Provider’s Transmission System from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency Requirements (Network Load plus Losses) will originate from inside the Transmission Provider’s Control Area as designated in Section 4.0. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency.

4.0 Network Resources

(1) Transmission Customer Generation Owned:

(2) Transmission Customer Generation Purchased:

Source	Total Capacity	Capacity Designation as Network Resource
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(3) Total Network Resources: (1)+(2)=

5.0 Transmission Load:

(1) Eligible customer or authorized agency's Network Load: Eligible customer or authorized agency's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible customer or authorized agency's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
----------------------	---------------------------	--------------------

Total Network Load =

6.0 Designation of party subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

(1) Load Ratio Share of Annual Transmission Revenue Requirement.

(2) Facilities Study Charge: _____

(3) Direct Assignment Facilities Charge: _____

(4) Ancillary Services:

(a) Scheduling System, Control and Dispatch Service: _____

(b) Reactive Supply and Voltage Control from Generation Service: _____

(c) Regulation and Frequency Response Service:

(d) Energy Imbalance Service: _____

(e) Operating Reserve - Spinning Reserve Service:

(f) Operating Reserve - Supplemental Reserve Service:

(5) Redispatch Charges: _____

(6) Power Factor Requirements: _____

8.0 Eligible Retail Customer Rights: Native Load import rights to the Transmission Provider released under this Agreement are granted to the eligible retail customer upon whose behalf the Network Customer/Designated Agent may obtain transmission service and will remain with the eligible retail customer. If the eligible retail customer chooses a new Network Customer/Designated Agent, the transmission rights will be transferred to the new Network Customer/Designated Agent on behalf of the eligible retail customer. If the eligible retail customer elects to return to bundled retail electric service, the released rights will revert back to the Native Load for use in service to the bundled retail customer.

Transmission Provider:

By: _____
Name Title Date

Network Customer/Designated Agent:

By: _____
Name Title Date

End-Use Customer/Eligible Customer

By: _____
Name Title Date

Nevada Power Company and Sierra Pacific Power Company

d/b/a NV Energy

FERC Transmission Rate Case

Offer of Settlement

Marked Tariff Sheets

Non-rate Terms and Conditions

**NEVADA POWER COMPANY and
SIERRA PACIFIC POWER COMPANY**

(“NV ENERGY”)

OPEN ACCESS

TRANSMISSION TARIFF

(“OATT” or “Tariff”)

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I. Common Service Provisions

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 ANSI:

American National Standards Institute.

1.5 Application:

A request by an Eligible Customer or Designated Agent for transmission service pursuant to the provisions of the Tariff.

1.6 Approved Credit Rating:

A short-term debt rating of not less than A2 by Standard and Poor's Corporation or a rating of not less than P2 by Moody's Investors Service or an equivalent rating from any other reputable credit rating agency. A federal agency shall be deemed to have

an Approved Credit Rating if its financial obligations under the Tariff are backed by the full faith and credit of the United States.

1.7 Bookout:

A transaction in which energy or capacity contractually committed bilaterally for delivery is not actually delivered due to some offsetting or countervailing trade.

1.8 Commission:

The Federal Energy Regulatory Commission.

1.9 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.10 Control Area:

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.11 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.12 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.13 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.14 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.15 Eligible Customer:

- (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.
- (ii) Any eligible retail customer taking unbundled Transmission Service pursuant to a Retail ~~Open-Access Program~~ or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer and shall take service pursuant to Part IV of the Tariff.

1.16 End-Use Customer:

A ~~purchaser-consumer~~ of electric ~~power~~energy receiving unbundled electric transmission service from the Transmission Provider pursuant to a Retail Access

~~program. An End-Use Customer shall have a Designated Agent, who purchases such power from the Colorado River Commission of Nevada (as the authorized agency) pursuant to the provisions of NRS 704B.787, to satisfy load (the purchaser's energy consuming equipment) and who does not resell the power. The Colorado River Commission of Nevada shall act as the End-Use Customer's Designated Agent.~~

1.17 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.18 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.19 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.20 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.21 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff. Load Ratio Share will be calculated on a rolling twelve month basis.

1.22 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.23 Local Regulatory Authority:

The state or local government authority responsible for the regulation or oversight of a Utility Distribution Company.

1.24 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.25 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.26 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.27 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.28 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point- To-Point Transmission Service that may be necessary for such non-designated load.

1.29 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.30 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.31 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.32 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.33 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.34 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.35 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 and Part 38 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.36 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.37 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.38 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.39 Part IV:

Tariff Sections 36 through 38 pertaining to Retail Access Transmission Service in conjunction with the applicable Common Service Provisions of Part I, the Point-To-Point Transmission Provisions of Part II, the Network Integration Transmission Service provisions of Part III and appropriate Schedules and Attachments.

1.40 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.41 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.42 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.43 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.44 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.45 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.46 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.47 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.48 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.49 Retail Access Transmission Service:

Transmission Service that is reserved and scheduled between the Transmission Provider and an eligible retail customer (who has met the requirements under ~~Nevada's Retail Open Access Program~~ to obtain such service) under Part IV of this Tariff.

1.50 Retail ~~Open Access Program~~:

~~A program established pursuant to NRS Chapter 704B or NRS 704.787, under which the Transmission Provider offers unbundled transmission service. The requirements administered by the Public Utilities Commission of Nevada under A.B. 661 (NRS 704B) for eligible retail customers to obtain unbundled service from the Transmission Provider, or the authority established by S.B. 211 (NRS 704.787) for the Colorado River Commission of Nevada to supply power to an End Use Customer. Retail access under a Retail Open Access Program is subject to the terms and conditions imposed by the corresponding statute and, if applicable, state regulatory agency.~~

1.51 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.52 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.53 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.54 Substitute Designated Network Resource:

A resource not previously designated by a Network Customer under Section 29.2 that (1) goes to physical delivery to serve a Network Customer's Network Load, (2) solely

as a result of a Bookout involving a Network Resource and (3) uses the transmission path previously reserved for the booked out Network Resource pursuant to Section 29 of the Tariff to deliver power to the Network Customer's Network Load.

1.55 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.56 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.57 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.58 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions and in the Ancillary Services schedules to include customers receiving transmission service under Part II and Part III of this Tariff.

1.59 Transmission Owner:

Sierra Pacific Power Company and Nevada Power Company ("NV Energy")

1.60 Transmission Provider:

The public utility that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff, which is:

Nevada Power Company (“Nevada Power,” “NEVP,” “NV Energy”), for itself, and as the Designated Agent for Sierra Pacific Power Company.

1.61 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.62 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis

1.63 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.64 Utility Distribution Company (“UDC”):

An entity which will continue to provide services regulated by a Local Regulatory Authority for (1) the distribution of electricity to customers and (2) energy to those customers who do not choose Retail Access.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. ~~Any request by the Eligible Customer to study redispatch or conditional curtailment options received after the System Impact Study Agreement is executed by the Eligible Customer will be treated as a new transmission service request.~~ If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In

performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.
- (iv) If multiple Eligible Customers request their service requests be studied together in a cluster, the Transmission Provider will determine whether it can reasonably accommodate their request for purposes of the System Impact Study. All Eligible Customers in the queue requesting to be studied together will be studied if it is reasonable to do so without regard to position in the queue. The Transmission Provider may study a service request separately to the extent warranted upon the request of an Eligible Customer requesting to opt out of the cluster or at the discretion of the Transmission Provider based upon Good Utility Practice. The costs of the System Impact Study shall be pro-rated among the Eligible Customers.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify:

- (1) any system constraints identified with specificity by transmission element or flowgate,
- (2) redispatch options, (when requested by an Eligible Customer) including an estimate of the cost of redispatch,
- (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and
- (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service

For customers requesting the study of redispatch options, the System Impact Study shall:

- (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and
- (2) provide a measurement of each resource's impact on the system constraint.

If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study.

In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. **Alternatively, the Eligible Customer may request**

within fifteen (15) days of completion of the System Impact Study that the Transmission Provider conduct a revised System Impact Study, at the Eligible Customer's expense, of the Transmission Provider's ability to provide transmission service with redispach of the Transmission Provider's resources or conditional curtailment transmission service as contemplated by Section 15.4. The Transmission Provider shall have sixty (60) days to complete any such revised System Impact Study using due diligence. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, or Revised System Impact Study, as the case may be, the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study, or Revised System Impact Study, as the case may be, indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, or Revised System Impact Study, as the case may be, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that

additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of

- (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer,
- (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and
- (iii) the time required to complete such construction and initiate the requested service.

The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission

Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To- Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff.

In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible

Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission.

The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

IV. Retail Access Transmission Service

Preamble

The Transmission Provider will provide Retail Access Transmission Service to any eligible retail customer or authorized agency taking unbundled Transmission Service pursuant to

~~a-Retail Open-Access-Program.~~

36 Application

The Transmission Provider will accept applications for Retail Access Transmission Service from any eligible retail customer or authorized agency taking unbundled Transmission Service pursuant to ~~a-Retail Open-Access-Program~~. The Application shall indicate that service is being requested by an eligible retail customer or authorized agency for either Point-To-Point Transmission Service and/or Network Integration Transmission Service, and shall contain the information requested in Part II or Part III of the Tariff, as applicable. An eligible retail customer or authorized agency may apply for both Point-To-Point Transmission Service and Network Integration Transmission Service, with the limitation that only one type of service may be used at a single discrete Point of Delivery. Each eligible retail customer or authorized agency must have a minimum of one (1) MW of load under each type of Transmission Service requested to accommodate scheduling requirements. Service for eligible retail customers or an authorized agency may not commence until a Service Agreement has been filed with the Commission.

36.1 Responsibilities:

The eligible retail customer or authorized agency shall be responsible for:

- (1) Paying the Transmission Provider's bill in accordance with this Tariff;
- (2) If Retail Access Transmission Service is being provided by an authorized agency, such authorized agency shall be responsible for aggregating the loads and resources for all eligible retail customers which it serves, and submitting a balanced schedule for capacity and energy for those eligible retail customers; and
- (3) Coordinating and allocating curtailments and interruptions in Load and the altering of schedules at the request of the Transmission Provider.

36.2 Termination of Service Agreement:

A Retail Access Transmission Service Agreement can be terminated by the Transmission Provider on written notice:

- (1) if the eligible retail customer or authorized agency no longer meets the requirements for Retail Access Transmission Service;
 - (2) if the eligible retail customer or authorized agency fails to pay any sum under this Tariff and fails to remedy the default within a period of seven (7) days after the Transmission Provider has given written notice of the default;
- or
- (3) if the eligible retail customer or authorized agency commits any other default under this Tariff or an applicable Network Operating Agreement which, if capable of being remedied, is not remedied within thirty (30) days after the Transmission Provider has given written notice of the default.

The Transmission Provider will, as soon as reasonably practicable following the occurrence of any of the events specified above notify the eligible retail customer or authorized agency that the Service Agreement is being terminated. Upon the occurrence of (1), (2) or (3) above, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves such a request.

37 Billing

The eligible retail customer or authorized agency must be a Point-To-Point and/or Network Customer under this Tariff, and the Transmission Provider will maintain a contractual relationship with the eligible retail customer or authorized agency. As the Point-To-Point Transmission and/or Network Customer, the eligible retail customer or authorized agency is responsible pursuant to Section 7 for payment of charges for all services provided under the Tariff. The Transmission Provider will use the end-use meter data, adjusted as necessary for distribution system losses, to determine the monthly Network Load for Network Customers and for settlement of hourly imbalance and transmission losses for both Network Customers (under Part III) and Point-To-Point Transmission Customers (under Part II). Such end-use meter data shall be collected by the Transmission Provider and shall be an accurate measure of the actual consumption of energy by each Eligible Customer in each hour of the calendar month.

**Attachment A-2:
Form Of Service Agreement For Firm Point-To-Point Retail
Access Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy ("Transmission Provider"), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer certifies that it is an eligible retail customer or End-Use Customer with authorized agency pursuant to ~~a-Retail Open-Access-Program~~.
- 3.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 4.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 5.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 6.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Director, Transmission Policy & Contracts
NV Energy
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Transmission Customer:

End-Use Customer:

8.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

End-Use Customer:

By: _____
Name Title Date

**Specifications For Long-Term Firm Point-To-Point
Transmission Service**

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point of Receipt Delivering Party

4.0 Point of Delivery Receiving Party

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Power Factor Requirements: _____

Attachment F-1: Retail Access Form Of Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy ~~Operating Company~~ (“Transmission Provider”) and _____ (“Network Customer”/“~~Designated Agent~~”) and _____ (“Eligible Customer”). ~~The Network Customer and Designated Agent are collectively referred to in this Attachment F-1 as “Network Customer.”~~
- 2.0 ~~The Network Customer certifies that it is an eEligible retail eCustomer or End Use Customer with an authorized agency who has~~certifies it has satisfied or meets the requirements to obtain open Retail Access Transmission Service pursuant to ~~a Retail Open Access Program~~ under which the Transmission Provider offers unbundled retail transmission service.
- 3.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”).
- 4.0 The Network Customer has provided to the Transmission Provider an Application Deposit in the amount of \$_____, in accordance with the provisions of Section 29.2 of the Tariff.
- 5.0 Service under this agreement shall commence on the later of: (1) the requested service date as indicated in the Specifications for Network Integration Transmission Service, Section 2; (2) the date on which construction of any Direct Assignment Facilities are completed; (3) the date that Network Upgrades are completed (or in the alternative, a temporary release of capacity as set forth in the Specifications for Network Integration Transmission Service is provided); or (4) such other date as it is permitted to become effective by the Commission. A Network Customer having point(s) of interconnection

on Transmission Provider's Transmission System shall be required to have a Network Operating Agreement in place prior to commencement of transmission service hereunder. Service under this agreement shall terminate on _____.

6.0 The Transmission Provider agrees to provide and the Transmission Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III and Part IV of the Tariff, this Service Agreement and the Network Operating Agreement as they may be amended from time to time.

7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Director, Transmission Policy & Contracts
NV Energy ~~Operating Company~~
6100 Neil Rd. M/S S3B40
Reno, NV 89511
Email: TransmissionPolicy@nvenergy.com

Network Customer/~~Designated Agent~~:

End-Use Customer/~~Eligible Customer~~:

8.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

| Network Customer/Designated Agent:

By: _____
Name Title Date

| End-Use Customer/Eligible Customer:

By: _____
Name Title Date

**SPECIFICATIONS FOR RETAIL ~~OPEN ACCESS PROGRAM~~ NETWORK
INTEGRATION TRANSMISSION SERVICE**

1.0 This Service Agreement, dated as of _____, is entered into, by and between NV Energy ~~Operating Company~~ (“Transmission Provider”) and _____ (“Network Customer”/“~~Designated Agent~~”) and _____ (“Eligible Customer”). The Network Customer and ~~Designated Agent~~ are collectively referred to in this Attachment F-1 as “Network Customer.” ~~Thee certifies that it is an~~ eligible retail customer or End-Use Customer with an authorized agency ~~certifies it who~~ has satisfied or meets the requirements to obtain open Retail Access Transmission Service pursuant to a ~~Retail Open Access Program~~ under which the Transmission Provider offers unbundled retail transmission service.

2.0 Term of Network Service:

Requested Start Date: _____

Termination Date: _____

3.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider’s Transmission System (including electric control area in which the transaction originates):

MWs of the eligible retail customer or authorized agency’s requirements may originate from firm resources located outside of the Transmission Provider’s Control Area and will be transmitted across the Transmission Provider’s Transmission System from the Point(s) of Receipt listed below. The remaining MWs of the eligible customer or authorized agency Requirements (Network Load plus Losses) will originate from inside the Transmission Provider’s Control Area as designated in Section 4.0. Non-firm energy will be transmitted on an as available basis when requested by the eligible customer or authorized agency.

4.0 Network Resources

(1) Transmission Customer Generation Owned:

(2) Transmission Customer Generation Purchased:

Source	Total Capacity	Capacity Designation as Network Resource
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(3) Total Network Resources: (1)+(2)=

5.0 Transmission Load:

(1) Eligible customer or authorized agency's Network Load: Eligible customer or authorized agency's Network Load measured at the Point(s) of Delivery listed below is its full load requirement as it changes from time to time, including load growth. Eligible customer or authorized agency's most recent coincident peak load measured at Point(s) of Delivery and adjusted for distribution and transmission losses as appropriate is ___ MW.

Point(s) of Delivery	Delivery Voltage Level	MW or % of Load
----------------------	------------------------	-----------------

Total Network Load =

6.0 Designation of party subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

(1) Load Ratio Share of Annual Transmission Revenue Requirement.

(2) Facilities Study Charge: _____

(3) Direct Assignment Facilities Charge: _____

(4) Ancillary Services:

(a) Scheduling System, Control and Dispatch Service: _____

(b) Reactive Supply and Voltage Control from Generation Service: _____

(c) Regulation and Frequency Response Service:

(d) Energy Imbalance Service: _____

(e) Operating Reserve - Spinning Reserve Service:

(f) Operating Reserve - Supplemental Reserve Service:

(5) Redispatch Charges: _____

(6) Power Factor Requirements: _____

8.0 Eligible Retail Customer Rights: Native Load import rights to the Transmission Provider released under this Agreement are granted to the eligible retail customer upon whose behalf the Network Customer/Designated Agent may obtain transmission service and will remain with the eligible retail customer. If the eligible retail customer chooses a new Network Customer/Designated Agent, the transmission rights will be transferred to the new Network Customer/Designated Agent on behalf of the eligible retail customer. If the eligible retail customer elects to return to bundled retail electric service, the released rights will revert back to the Native Load for use in service to the bundled retail customer.

Transmission Provider:

By: _____
Name Title Date

Network Customer/Designated Agent:

By: _____
Name Title Date

End-Use Customer/Eligible Customer

By: _____
Name Title Date