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**ORIGINAL**

Decision No. 88337 JAN 17 1978  
BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SIERRA PACIFIC POWER COMPANY for  
General Rate Relief and for Authority  
to Increase Its Electric Rates and  
Charges for Electric Service and to  
Impose Certain Tariff Revisions. } Application No. 57076.  
(Filed February 15, 1977)

John Madariaga, Attorney at Law (Nevada), and  
George M. Stout, Attorney at Law (Nevada),  
for Sierra Pacific Power Company, applicant.  
Elinore C. Morgan, Attorney at Law, A. V. Garde,  
and K. K. Chew, for the Commission staff.

O P I N I O N

By this application, Sierra Pacific Power Company (Company) requests authority to establish electric rates for its California operations to increase annual revenues in the test year 1977 estimated by \$3,260,000 over the rates now in effect.

Public hearing was held at Lake Tahoe on July 26, 27, and 28, 1977. It was stipulated between Company and the staff that the issues of employee discounts and adequacy of Company's conservation program should be heard in Phase II and continued to a date to be set. With this stipulation, the matter was submitted with briefs to be filed September 2, 1977. Copies of the application had been served and notice of hearing had been published, posted, and mailed in accordance with the Commission's Rules of Practice and Procedure.

In its application, Company requested interim emergency relief. At the hearing, Company's counsel stated that because of the

staff's expeditious processing of Company's data and the fact that a hearing date was set within five months of the filing of the application, the request for interim relief was being withdrawn.

Oral and written testimony on behalf of Company was presented by its manager of rates and regulation, its vice-president of finance and accounting, and its treasurer. The staff presentation was made by a rate of return witness, a finance witness, and six of engineers. Two members of the public appeared at the first day of hearing stating that they were opposed to granting any increase because of poor service.

General Information

Company owns and operates electric, gas, and water properties in the State of Nevada and electric property in the State of California. Electricity is served in various communities in Nevada and California and gas and water are sold in Reno and Sparks, Nevada, and environs.

The counties served in California include Alpine, El Dorado, Mono, Nevada, Placer, Plumas, and Sierra. On December 31, 1976, applicant served approximately 28,497 electric customers in California, classified as follows:

|                                   |        |
|-----------------------------------|--------|
| Residential                       | 24,453 |
| Commercial & Industrial - Small   | 4,013  |
| Commercial & Industrial - Large   | 3      |
| Public Street & Highway Lighting  | 26     |
| Other Sales to Public Authorities | 0      |
| Sales for Resale                  | 2      |

The electric property of Company used in providing service to its California customers is a portion of its interconnected system serving California and Nevada and the original cost thereof and accumulated depreciation applicable thereto are determined as a result of an allocation procedure.

In its application, Company stated that the need for rate relief stemmed from increases in all costs of doing business and the combined effect of the energy crisis and continued inflation.

Company also stated that major increases in fuel and purchased power costs have been brought about by increases passed on by energy suppliers, that it was able to recover the California portion of these increased fuel and purchased power costs via its fuel clause adjustment through March 1976. Effective April 1, 1976, Company instituted deferred energy accounting with respect to its California retail electric operations and requests in the instant application that base costs contained in the Energy Cost Adjustment Clause (ECAC) be updated to allow more current recovery of fuel costs.

On the last day of hearing, staff counsel stated that the parties had stipulated that Company would prepare a summary of the results of operations comparing the California jurisdictional differences between Company and the staff at present rates as late-filed Exhibit 13. For the purpose of deciding revenues, expenses, and rate base, Company has accepted the staff-revised estimates. This exhibit follows:

| Company | Staff | Company | Staff | Staff                           |
|---------|-------|---------|-------|---------------------------------|
| 1.0     | 1.0   | 1.0     | 1.0   | Operating Expenses              |
| 1.0     | 1.0   | 1.0     | 1.0   | Transmission Expenses           |
| 1.0     | 1.0   | 1.0     | 1.0   | Distribution Expenses           |
| 1.0     | 1.0   | 1.0     | 1.0   | Customer Account Expenses       |
| 1.0     | 1.0   | 1.0     | 1.0   | Sales Expenses                  |
| 1.0     | 1.0   | 1.0     | 1.0   | A & G Expenses                  |
| 1.0     | 1.0   | 1.0     | 1.0   | Depreciation                    |
| 1.0     | 1.0   | 1.0     | 1.0   | Approval After Wage Adjustment  |
| 1.0     | 1.0   | 1.0     | 1.0   | Depn. + Amort. Expenses         |
| 1.0     | 1.0   | 1.0     | 1.0   | Taxes Other Than On Income      |
| 1.0     | 1.0   | 1.0     | 1.0   | State Corp. Franchise Tax       |
| 1.0     | 1.0   | 1.0     | 1.0   | Federal Income Tax              |
| 1.0     | 1.0   | 1.0     | 1.0   | Total Operating Expenses        |
| 1.0     | 1.0   | 1.0     | 1.0   | Net Operating Revenues Adjusted |
| 1.0     | 1.0   | 1.0     | 1.0   | Rate Base                       |
| 1.0     | 1.0   | 1.0     | 1.0   | Rate of Return                  |

TABLE 15-A (REVISED)

Sierra Pacific Power Co. Inc.  
 Summary of Earnings  
 Year 1977 Estimated At Present Rates

| Item                                   | Utility Exceeds Staff |                 |                | %             |
|--|-----------------------|-----------------|----------------|---------------|
|  | (A)                   | (B)             | (C)            |               |
| (THOUSANDS OF DOLLARS)                 |                       |                 |                |               |
| Revenue from Sales                     | \$ 6,684.8            | \$15,130.7      | \$8,445.9      | 126.3         |
| Revenue from Other Sources             | 80.0                  | 80.0            | -              | -             |
| <b>Total Operating Revenues</b>        | <b>6,764.8</b>        | <b>15,210.7</b> | <b>8,445.9</b> | <b>124.9</b>  |
| <b>Operating Expenses</b>              |                       |                 |                |               |
| Production Expenses                    | 384.0                 | 9,378.0         | 8,994.0        | 2,342.2       |
| Transmission Expenses                  | 53.0                  | 54.0            | 1.0            | 1.0           |
| Distribution Expenses                  | 526.0                 | 528.0           | 2.0            | -             |
| Customer Account Expense               | 463.5                 | 523.0           | 59.5           | 12.8          |
| Sales Expenses                         | 26.0                  | 28.0            | 2.0            | 7.7           |
| A & G Expenses                         | 705.2                 | 805.0           | 99.8           | 14.2          |
| <b>Subtotal</b>                        | <b>2,157.7</b>        | <b>11,316.0</b> | <b>9,158.3</b> | <b>424.4</b>  |
| <b>Subtotal After Wage Adjustment</b>  | <b>2,157.7</b>        | <b>11,316.0</b> | <b>9,158.3</b> | <b>424.4</b>  |
| Depr. + Amort. Expenses                | 1,159.2               | 1,144.7         | (14.5)         | (1.3)         |
| Taxes Other Than On Income             | 648.4                 | 654.4           | 6.0            | .9            |
| State Corp. Franchise Tax              | 1.2                   | 48.0            | 46.8           | 3,900.0       |
| Federal Income Tax                     | 428.8                 | 50.0            | (378.8)        | (88.3)        |
| <b>Total Operating Expenses</b>        | <b>4,395.3</b>        | <b>13,213.1</b> | <b>8,817.8</b> | <b>200.6</b>  |
| <b>Net Operating Revenues Adjusted</b> | <b>2,369.5</b>        | <b>1,997.6</b>  | <b>(371.9)</b> | <b>(15.7)</b> |
| Rate Base                              | 36,562.2              | 37,286.0        | 723.8          | 2.0           |
| Rate of Return                         | 6.48%                 | 5.36%           | (1.12)%        | -             |

(Red Figure)

In Exhibit No. 8 the staff recommended a reduction of 0.15% to the company's authorized rate of return and the exclusion of test year expenses in the amount of \$57,900 related to the Company's conservation program as follows:

"4. The staff has reviewed Sierra Pacific Power Company's current conservation plan for 1977. The staff finds the program inadequate. There is no effort in the area of installing or providing hardware for conservation. The staff therefore recommends that a reduction of 0.15% be made to the company's authorized rate of return. The staff has also disallowed the planned 1977 conservation expenses of \$57,900."

However, because the conservation issue will be treated in Phase II of this proceeding, the staff later revised its results of operations to include the \$57,900. We agree that the Company should be allowed sufficient expenses to permit it to establish and carry out vigorous conservation programs in the future, and we have reserved a second phase in this proceeding for the Company to present evidence as to its proposed conservation activities for 1978, thus we are adopting the \$57,900 as an average level of expenses for ongoing conservation programs.

The fact remains clear, however, that the Company has neither in the past nor during test year 1977 carried out vigorous conservation programs that are cost-effective and lead to a reduction in growth of energy use per customer. Thus we will later discuss a downward adjustment in the Company's test year 1977 rate of return, as recommended in the staff's Exhibit No. 8 and the staff brief.

#### Revenues

The difference in revenue estimates is due principally to the staff's use of zero energy base. The revenues and production expenses related to fuel, purchased power, and ECAC

have been removed from staff's estimates. The staff estimated higher sales for the test year and amortized several non-recurring production expenses over a five-year period.

#### Administrative and General Expenses

The difference in administrative and general expenses is due to (1) lower franchise requirements which are based on revenue estimates and (2) staff adjustment of \$42,000 to utilities regulatory commission expenses due to improper amortization of expenses related to the last general rate proceeding.

#### Transmission, Distribution, and Sales Expenses

The minor differences in estimates for transmission, distribution, and sales expenses are due to different estimating techniques.

#### Customer Account Expense

The difference in the customer account expense is due to lower uncollectible accounts which were based on revenue estimates.

#### Operating Expenses

##### Production Expenses

Production expenses related to fuel, purchased power, and ECAC were removed from staff estimates and several non-recurring production expenses were amortized over a five-year period.

##### Federal and State Taxes

The difference in estimates for federal and state income taxes is due to the different estimates for revenue and expenses.

In Decision No. 83869 dated December 17, 1974 in Application No. 54154, the Commission allowed Company to normalize the tax benefits of (1) accelerated depreciation (including asset depreciation range) on property acquired subsequent to the 1970 election, and (2) job development-investment credit. The staff and Company are following the same treatment in this proceeding.

A.57076 Alt. RDG /fc \*

The Tax Reduction Act of 1975 increases the investment credit rate from 4 percent to 10 percent for new qualified plant expenditures made subsequent to January 21, 1975, and before January 1, 1977. The 1976 Tax Reform Act extends the investment tax credit through 1980. Company uses the ratable flow-through option for investment credit and under this Act the same option (option 2) will apply to the excess investment credit generated.

The California Supreme Court had remanded Decision No. 83162 dated July 23, 1974 in Application No. 51774, to reconsider alternative rate-fixing methods for income tax benefits. After extensive hearings the Commission by Decision No. 87838 dated September 13, 1977 ordered modifications of rate-fixing treatment of income tax benefits resulting from the use of accelerated tax depreciation (including asset depreciation forage) and job development investment credit (now called investment tax credit).

The staff in its results of operations report for this application had recommended that any rate increase authorized herein should be subject to refund together with appropriate interest pending the Commission's decision on the remanded tax issue. For Phase I of this proceeding both the utility and the staff have normalized the tax benefits from the use of accelerated tax depreciation and used a ratable flow-through treatment for investment tax credit.

Now that the Commission has rendered a decision modifying the ratemaking treatment of tax benefits, the staff is to determine the effect of the modifications of the gross revenue requirements of the utility and recommend appropriate changes to the utility rates in Phase II of this proceeding. The utility should collect any increase authorized herein subject to refund together with appropriate interest.

Rate Base

The difference in rate base is due principally to the staff exclusion of (1) certain plant additions which will not be in service in 1977 and (2) the accumulated deferred transmission line fixed charges relating to a 230-kv interconnection with Utah Power & Light Company.

Rate of Return

Company is seeking a rate of return on rate base of 9.82 percent yielding 14 percent return on common equity. Company contends that such rate is necessary to enable it to earn a fair return on its investment, to continue to be able to provide adequate and reliable service to its existing and future customers, and to attract required large amounts of capital, both debt and equity, at a reasonable and competitive rate.

The Commission staff originally recommended a rate of return in a range of 9.25 percent to 9.55 percent. At the hearing this range was changed to 9.15 percent to 9.45 percent with a specific recommendation of 9.3 percent which would allow a 12.59 percent return on common equity and a 2.42 times after-tax coverage for interest on debt.

Adopted Results

In our opinion the 14 percent return on common equity and 9.82 percent rate of return on rate base sought by Company are too high and the 12.59 percent return on common equity and 9.3 percent rate of return on rate base recommended by the staff are too low. The Commission will adopt a 12.87 percent return on equity and 9.4 percent rate of return on rate base as reasonable in this proceeding. The adoption of a 9.4 percent rate of return will entitle Company to a gross revenue increase of \$2,095,000 instead of its requested increase



of \$3,260,000. We believe this will give Company the financial stability to attract necessary capital and provide adequate interest coverage. However, since the Company has not made an affirmative showing that it has in the past and is now (during test year 1977) carrying out vigorous and cost-effective conservation programs leading to a significant reduction in the growth of energy use per customer, we will make a downward adjustment in rate of return as recommended in the staff's Summary of Earnings set forth in Chapter 15 of Exhibit 8 and in the staff brief. The conservation adjustment will be a 0.15% reduction in rate of return and an appropriate multiplier to rates will be adopted. Thus the adopted 9.4% rate of return will be reduced by 0.15% to 9.25% and the gross revenues will be reduced by \$107,387 to account for the conservation adjustment adopted herein. This adjustment will continue until the Company demonstrates to the satisfaction of this Commission that it has developed and implemented vigorous, imaginative, and cost-effective energy conservation programs. We will allow the Company ample opportunity to make its affirmative showing on this matter in Phase II regarding its proposed future conservation efforts.

Rate Design

During the proceedings, there were stipulations on portions of staff witness Strahl's Exhibit 9 with respect to rate design. These items may be summarized as follows:

1. Residential service be restricted to single-phase service only with electric motors no larger than 10 hp.
2. Vacation homes be treated as nonlifeline customers.
3. Schedule H (water heating) be eliminated.
4. Rates be restructured so as to back out of base rates energy costs of 0.734¢/kwhr. The ECAC will pick up the whole amount.

5. Residential schedule be restructured so as to make it similar to the domestic rates of other California utilities. Lifeline portion of the rate shall remain frozen until the next rate proceeding and revenue increases be shifted to the nonlifeline portion.

6. Residential nonlifeline rates be set on an inverted basis in order to discourage waste and encourage prudent use of precious energy.

7. Energy blocks of Schedules A-2 and A-3 be changed to a flat energy charge, and that a high priced tail block be incorporated into Schedule A-1 for a high level of consumption.

8. Schedule S-4 (Street Lighting) be closed to new customers, be eliminated within a period of ten (10) years, and that all incandescent lights served under Schedule S-4 be converted to a more efficient lighting and the charges for such service be incorporated into Schedule LS-5.

9. Existing and new commercial customers who require a 100-kva (or larger) transformer be put on Schedule A-2 and customers who require a 1,200-kva (or larger) transformer installation be put on Schedule A-3.

10. Company be directed to file a new service tariff, SC (Service Establishment Charge), to compensate for changing accounts and turning on meters for individual customer services.

11. The newly adopted tariff sheet be enclosed with the first billing to the customer together with an explanation of the new rate calculation for such bill.

12. Master metering Schedule DM-1 be closed to new customers.

There was no stipulation to the staff recommendation on modifying the special condition that allows a discount for high voltage supply. As pointed out in the staff brief, the adoption of this recommendation will standardize such special condition and will contribute to schedule simplification, proper allocation of costs, and equitable standard discounts for a high voltage service. Accordingly, we will adopt this staff recommendation.

Although there was no stipulation to the staff's rate design for customer classes, it would appear that Company has no objection to the specific revenue allocations to classes as proposed.

in Exhibit 9. Accordingly, we will adopt the staff's proposed spread and design and adjust all base rates for energy sold by a factor of 0.985 to account for the conservation adjustment adopted herein. The unadjusted rate spread table is shown below.

FINAL RATE SPREAD AND IMPACT - 1977 TEST YEAR

(RATE OF RETURN AT 9.4% - AS ADOPTED) 1/

| Class of Service            | Present Rates | Final Spread | Amount       | %           | Rate of Return** |
|-----------------------------|---------------|--------------|--------------|-------------|------------------|
| Residential*                | \$3,493       | \$5,005      | \$1,512      | 43.3%       | 7.80%            |
| General Service* (A-1)      | 2,039         | 2,245        | 206          | 10.1        | 11.84            |
| Optional Gen. Service (A-2) | 786           | 935          | 149          | 19.0        | 10.75            |
| Large Light. & Power (A-3)  | 219           | 364          | 145          | 66.2        | 9.40             |
| Agricultural                | 3             | 6            | 3            | 100.0       | 9.40             |
| Street Lighting             | 42            | 87           | 45           | 107.1       | 9.40             |
| Outdoor Lighting            | 103           | 138          | 35           | 34.0        | 9.40             |
| <b>Total</b>                | <b>6,685</b>  | <b>8,780</b> | <b>2,095</b> | <b>31.3</b> | <b>9.40</b>      |

(Dollars in Thousands)

Note: All revenues are at zero energy cost.

\* Water heating has been incorporated into the indicated classes because the water heating schedules are being eliminated.

\*\* Monthly Peak Responsibility Method.

The 1985 rates adjustment factor adopted herein will reduce this adopted rate of return to 9.25% until an acceptable level of conservation effort is established.

The areas of contention on matters presented by the staff rate-design witness were cogeneration and load tariff. With respect to cogeneration, witness Strahl proposed:

- "A. The cogenerating entity should not be declared a public utility.
- "B. The capacity and energy produced by the cogenerating entity should be fully dedicated to the cogenerating entity, and this dedication should be irrevocable except for a national emergency.

Proposed changes to the rules of the Commission are as follows:

"C. Any cogenerating equipment proposed should be compatible with the utility's system on all standards relating to safety and service.

"D. The standby charge for the cogenerating entity should be designed to reflect a reasonable pricing arrangement, which will consider a discount (or a penalty) for the cogenerating equipment dynamic record of reliability and for the time of the year during which the equipment is taken out for service and maintenance. Appendix C shows the proposed standby provision for cogeneration.

"E. The cogenerating entity should be allowed to wheel power to a subsidiary within the serving utility's service area. An equitable wheeling tariff should be set up which will consider the distance involved, the capacity wheeled, and the available utility's transmission system.

"F. The local utility should be the only entity allowed to purchase excess capacity and/or energy from the cogenerating entity. The terms for the excess power should be set in a contract filed with the Commission."

In making his recommendation Mr. Strahl stated that he did not anticipate that the various industrial and commercial establishments in Company's service area will establish cogenerating plants immediately after adoption of the proposal because issues such as fuel availability, plant design, and tax considerations are probably more important than regulatory matters, but that its adoption will eliminate substantial obstacles and will convince the industrial and commercial establishments that the Commission intends to work with them in expediting the implementation of cogeneration plants. He also stated that it was his opinion that the utility will benefit from cogeneration through reduced purchased power costs and improved system diversity and reliability.

Findings and Conclusions

Company argues that the subject of cogeneration is still under review and that the adoption of witness Strahl's proposal would be premature since the subject is still somewhat conjectural. It was pointed out on cross-examination that there are only two industrial customers served under Company's A-3 schedule and that there has been no study of the cogeneration potential in Company's service area.

We agree with Company that staff's proposed guidelines regarding cogeneration are premature and should not be adopted.

Load Tariff

Staff witness Strahl also proposed the institution of a "load tariff" in order to limit load growth and to encourage alternate uses of energy. Summarized, the proposal is that all new services connecting to the utility system and all existing services increasing their connected load on or after July 1, 1978 be assessed a load tariff in addition to other tariffs. The added tariff would be charged monthly and itemized separately on the customer's bill and would apply to all classes of customers except streetlights. The tariff would be waived for customers who install alternate and/or supplementary sources of energy such as solar, geothermal, fireplace and ripple-control devices, and cogeneration facilities.

The staff brief urges that the proposed load tariff be adopted for a trial period of five years to determine the impact on new customers, and that the utility be directed to submit yearly progress reports on the extent of alternate resources usage and rate impact.

Company opposes the proposal pointing out that it is predicated on the availability of alternative sources of energy, i.e., solar, geothermal, fireplaces, ripple-control devices, and cogeneration facilities, that Company's service area is unlike other California utilities, and that it is premature since there has been no study of the impact on the utility or its customers. From the record we conclude that the load tariff as proposed should not be adopted at this time.

Findings and Conclusions

1. Applicant is in need of additional revenues, but the proposed rates set forth in the application are excessive.
2. It was stipulated that a late-filed exhibit comparing the California jurisdictional differences between the staff and Company at present rates would be prepared for purposes of deciding revenues, expenses, and rate base. Company accepted the revised staff estimates.
3. The increases in rates and charges authorized by this decision are justified and are reasonable; and the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable.
4. The total amount of the increase in annual revenue authorized by this decision is \$2,095,000 adjusted downward by \$107,387 to \$1,987,613 to account for the downward conservation adjustment of 0.15 percent in rate of return adopted herein. The rate of return on rate base is 9.25 percent and the return on common equity is 12.45 percent.
5. The staff recommendation on modifying the special condition that allows a discount for high voltage will standardize such special conditions throughout the state and should be adopted.
6. The staff-proposed rate spread as proposed in Exhibit 9 is reasonable and should be adopted.
7. The staff proposal for cogeneration in Company's California service area is premature and should not be adopted.
8. The staff proposal for a special load tariff needs further study and should not be adopted.
9. All base rates for energy sold will be adjusted by a factor of 0.985 until the Company demonstrates to the satisfaction of this Commission that it has in fact developed and implemented vigorous, imaginative, and cost effective energy conservation programs.
10. The staff should determine the effect of the modifications of the ratemaking treatment of accelerated depreciation and investment tax credit resulting from Decision No. 87838 and recommend

appropriate changes to the utility rates in Phase II of this proceeding. Any increase collected by the utility should be subject to refund together with appropriate interest.

The Commission concludes that the application should be granted to the extent set forth in the order that follows.

O R D E R

IT IS ORDERED that after the effective date of this order, Sierra Pacific Power Company is authorized to:

1. File the revised rate schedules attached to this order as Appendix A, modified by applying a factor of 0.985 to all base rates for energy sold, and concurrently to withdraw and cancel the corresponding present effective schedules. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be five days after the date of filing.

2. All increased rates and charges filed pursuant to this order will be collected subject to refund with appropriate interest,

until further order by this Commission pending the final determination of the appropriate tax treatment in this proceeding.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 17th day of JANUARY, 1978.

*Abstani*  
*William Lyons Jr*

\_\_\_\_\_  
President

\_\_\_\_\_  
*James L. Stinson*  
*Richard D. Swale*  
*Walter D. Schmitt*  
Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.



APPENDIX A  
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RATES - SIERRA-PACIFIC POWER COMPANY

Applicant's preliminary statement, electric rates, charges and conditions are changed to the level or extent set forth in this Appendix.

PRELIMINARY STATEMENT

6. B. Base Rates

The base rates are the rates for electric service effective JANUARY 17th 1978, authorized by Decision No. 88337.

6. C. Base Weighted Rate for Fuel and Purchased Energy

The base weighted rate for fuel and purchased energy included in Base Rates is \$0.00000 per kilowatt-hour.

6. L. Billing Factors

The adjustment amount to be added to or subtracted from each bill shall be the product of the total kilowatt-hours for lifeline service for which the bill is rendered multiplied by the ECAEF applicable to lifeline quantities, plus the product of the remaining kilowatt-hours for which the bill is rendered, multiplied by the ECAEF applicable to other than lifeline quantities. The factors listed below have been, or are, in effect for the periods indicated:

|  |                        |            |
|--|------------------------|------------|
|  | Energy Cost Adjustment | :          |
|  | Billing Factor         | :          |
|  | Applicable to          | :          |
|  | Applicable to Lifeline | Other Than |
|  | Quantities             | Quantities |
|  | Effective Period       | \$/KWH     |

April 1 1977 to JANUARY 17th 1978      1.153

and After JANUARY 17th 1978      1.887

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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE A-1

RATES

Per Meter  
Per Month

|                             |        |
|-----------------------------|--------|
| Customer Charge             | \$2.30 |
| Energy Charge: <u>56688</u> |        |
| First 30,000 kwhr, per kwhr | .02372 |
| All excess kwhr, per kwhr   | .05    |

Minimum Charge:

The minimum charge for service hereunder shall be the customer charge plus \$1.00 per kilowatt of total connected load in excess of seven kilowatts. For the purposes hereof a horsepower will be considered as equivalent to a kilowatt.

Energy Cost-Adjustment Clause:

An energy cost adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

SPECIAL CONDITIONS

1. Service hereunder shall be supplied at the standard secondary voltage available.
2. Service hereunder shall only be supplied to customers who require a transformer installation smaller than 100 KVA.
3. For billing purposes, in cases where customers were formerly billed for an "H" (water heating) schedule in addition to Schedule A-1, the meter readings of both meters shall be combined, and the customer charge shall be based on one meter only.

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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE A-2

RATES

(bountisoo) S-A 207202

(bountisoo) 20720202 207202

The monthly charge for service hereunder shall consist of a demand and an energy charge computed as follows:

Demand Charge:

Per Meter  
Per Month

First 50 kw of billing demand, or less \$160.00  
All excess kw of billing demand, per kw 3.20

Energy Charge:

All kwhr, per kwhr..... 0.00618

Minimum Charge:

The minimum charge for service hereunder shall be the monthly demand charge.

Energy Cost Adjustment Clause:

An energy cost adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

SPECIAL CONDITIONS

1. Service hereunder shall be supplied at one standard distribution voltage available.
2. Service hereunder shall only be supplied to customers who require a transformer installation smaller than 1,200 kva.
3. Determination of Demand: The demand for any billing period shall be defined as the maximum measured 15 minute average kilowatt load in the billing period. In instances, however, where the use of energy by a customer is intermittent or subject to violent fluctuations, a shorter time interval may be used and the demand determined from special measurements.

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RATES SIERRA PACIFIC POWER COMPANY

S-A 8707202

SCHEDULE A-2 (Continued)

SENAE

SPECIAL CONDITIONS (Continued)

At utility's option, a thermal type of demand meter which does not reset after a definite time interval may be used for demand measurement.

At utility's option, a thermal type of demand meter which does not reset after a definite time interval may be used for demand measurement.

4. Billing Demand:

The billing demand hereunder for any billing period shall be the greater of the current period's measured demand; or fifty percent (50%) of the highest billing demand established by the customer during the preceding eleven (11) months; or fifty kilowatts (50 kw).

.....

The minimum charge for service hereunder shall be the monthly demand charge.

Energy Cost Adjustment Clause

In energy cost adjustment amounts will be included on each bill for service as specified in the attached statement. The adjustment amount shall be based on the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

SPECIAL CONDITIONS

1. Service hereunder shall be applied to one separate residential voltage available.
2. Service hereunder shall only be applied to customers who receive a standard residential service meter that is 100 kv.
3. Determination of Demand: The demand for any billing period shall be defined as the maximum measured kW during the billing period. However, in instances where the load in the billing period is interrupted or subject to other factors by a customer in accordance with the provisions of the contract, a shorter time interval may be used and the demand determined from special measurements.

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## RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE A-2 (Continued)

S-A SCHEDULE

SPECIAL CONDITIONS (Continued)

SPECIAL

5. Power Factor: Utility may, at its option, measure the average power factor of any Customer load served hereunder. Whenever the billing demand of such Customer in any month exceeds four hundred kilowatts (400 kw) the demand charge and the energy charge of the rate above shall be decreased or increased, respectively, fifteen-hundredths of one percent (0.15%) for each one percent (1%) that the average power factor of such Customer's load during such month is more than or less than eighty percent (80%) lagging. The average power factor shall be computed (to the nearest whole percent) from the ratio of total lagging reactive kilovolt-ampere-hours to total kilowatt-hours.
6. Voltage Discount: (1) When delivery hereunder is made at the same voltage as that of the line from which the service is supplied, or (2) when sufficient capacity is not available in distribution facilities existing in the area to supply the customer's requirements, and the Utility has elected to supply service from a transmission line for its operating convenience by means of Utility-owned transformers on the customer's property, a discount of 4% when such delivery is made at 11 kv or above and 3% when such delivery is made at 2 kv to 10 kv, inclusive, will be allowed on the above charges, including the minimum charge, provided, however, the Utility is not required to supply service at a non-standard voltage. When service is supplied directly without transformation from a transmission line of 60 kv or higher, a discount of 5% will be allowed. The Utility retains the right to change its line voltage at any time, after reasonable advance notice to any customer receiving a discount hereunder and affected by such change, and such customer then has the option to change his system so as to receive service at the new line voltage or to accept service (without voltage discount) through transformers to be supplied by Utility.
7. Contracts: A contract will be required for service hereunder for a minimum term of not less than one (1) year.

APPENDIX A  
Page 6 of 24

RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE A-3

(Description) S-A 5707602

RATES

(Description) 5707602-5707603

The monthly charge for service hereunder shall consist of a demand and an energy charge computed as follows:

|  |            |
|--|------------|
| <u>Demand Charge:</u>                            | Per Meter  |
| First 1,000 kilowatts of billing demand, or less | Per Month  |
| All excess kw of billing demand, per kw          | \$3,200.00 |
|  | 3.00       |

|                    |            |
|--------------------|------------|
| All kwhr, per kwhr | \$ 0.00618 |
|--------------------|------------|

Minimum Charge: The minimum charge for service hereunder shall be the monthly demand charge.

Energy Cost Adjustment Clause: An energy cost adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

The energy cost adjustment amount shall be based on the difference between the actual energy cost and the standard energy cost for the month.

The standard energy cost shall be based on the average energy cost for the month of the preceding year.

The actual energy cost shall be based on the energy cost for the month of the bill.

The adjustment amount shall be rounded to the nearest cent.

The adjustment amount shall be added to the demand charge.

The adjustment amount shall be included in the bill for service.

The adjustment amount shall be based on the energy cost for the month of the bill.

APPENDIX A  
Page 7 of 24

RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE A-3 (Continued)

(SIERRA PACIFIC) (SIERRA PACIFIC)

SPECIAL CONDITIONS

(SIERRA PACIFIC) (SIERRA PACIFIC)

1. Service hereunder shall be supplied at one standard distribution voltage available.
2. Service hereunder shall only be supplied to customers who require a 1,200 kva or larger transformer installation.
3. Determination of Demand: The demand for any billing period shall be defined as the maximum measured 15-minute average kilowatt load in the billing period. In instances, however, where the use of energy by a customer is intermittent or subject to violent fluctuations, a shorter time interval may be used and the demand determined from special measurements.  
At utility's option, a thermal type of demand meter which does not reset after a definite time interval may be used for demand measurement.
4. Billing Demand: The billing demand hereunder for any billing period shall be the greater of the current period's measured demand; or fifty percent (50%) of the highest billing demand established by the customer during the preceding eleven (11) months; or one thousand kilowatts (1,000 kw).
5. Power Factor: Utility may, at its option, measure the average power factor of any customer load served hereunder. Whenever the billing demand of such customer in any month exceeds four hundred kilowatts (400 kw) the demand charge and the energy charge of the rate above shall be decreased or increased, respectively, fifteen-hundredths of one percent (0.15%) for each one percent (1%) that the average power factor of such customer's load during such month is more than or less than eighty percent (80%) lagging. The average power factor shall be computed (to the nearest whole percent) from the ratio of total lagging reactive kilovolt-ampere-hours to total kilowatt-hours.







APPENDIX A  
Page 15 of 24

RATES - SIERRA-PACIFIC POWER COMPANY

SCHEDULE DS-1 (Continued)

1-30 2500000

SPECIAL CONDITIONS (Continued)

2500000

4. The master meter customer shall differentiate between permanent local area residents and other residential customers in the complex on the basis of a mailing address analysis and any other appropriate information.
5. Miscellaneous electrical loads such as general lighting, laundry facilities, general maintenance, and other similar common usage incidental to the operation of the premises as a multi-unit domestic accommodation will be considered as domestic usage.
6. Electric energy used for non-domestic enterprises such as stores, restaurants, service stations and other similar establishments located on the premises shall be separately metered and billed under applicable general service schedules.
7. For billing purposes, in cases where customers were formerly billed for an "H" (water heating) schedule in addition to Schedule DS-1, the meter readings of both meters shall be combined and the customer charge shall be based on one meter only.

SCHEDULES H-1, H-2, and H-3

Delete Schedules H-1, H-2 and H-3.

The three water heating schedules are hereby discontinued. For treatment of former customers refer to the Special Conditions section of the applicable domestic or commercial schedule.

APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE DS-1 (Continued)

(continued) (SIERRA PACIFIC POWER COMPANY)

RATES (Continued)

(continued) (SIERRA PACIFIC POWER COMPANY)

Energy Cost Adjustment Clause:

An energy cost adjustment amount will be included in each bill for service as specified in the Preliminary Statement. The adjustment amount shall be the product of the non-lifeline kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour plus the product of the lifeline kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour less a ten percent (10%) discount.

SPECIAL CONDITIONS

1. Lifeline usage quantities per living unit applicable to this schedule are as follows:

| <u>Basic Residential Use</u> | <u>Water Heating</u> | <u>Space Heating**</u> |
|------------------------------|----------------------|------------------------|
| 240 kwhr/month               | 250 kwhr/month       | 1420 kwhr/month        |

2. Lifeline usage quantities are applicable only to living units occupied by permanent local area residents. Living units occupied by recreational customers shall be billed under non-lifeline rates. The master meter customer must complete and file with the utility a Declaration of Eligibility stating the number of living units occupied by permanent customers, the number of living units occupied by recreational customers and the type of water heaters and space heaters in the complex. The penalty for presenting false information in this declaration shall be a denial of lifeline service for one year and any legal action which the utility might elect to pursue.

3. It is the responsibility of the Customer to advise the Utility within fifteen (15) days of any changes in the number of living units wired for service, and in the type of water heaters and space heaters in the complex.

\*\* During the six winter months from November 1 to April 30.

APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE DM-1 (Continued)

(SCHEDULED) 1-20 REVENUES

SPECIAL CONDITIONS (Continued)

(SCHEDULED) 21012

5. Miscellaneous electrical loads such as general lighting, laundry facilities, general maintenance and other similar common usage incidental to the operation of the premises as a multi-unit domestic accommodation will be considered as domestic usage.
6. Electric energy used for non-domestic enterprises such as stores, restaurants, service stations and other similar establishments located on the premises shall be separately metered and billed under applicable general service schedules.
7. For billing purposes, in cases where customers were formerly billed for an "H" (Water Heating) schedule in addition to Schedule DM-1, the meter readings of both meters shall be combined, and the customer charge shall be based on one meter only.

SCHEDULE DS-1

RATES

Per Meter  
Per Month

|                                  | Per Meter<br>Per Month | Lifeline | Non-lifeline |
|----------------------------------|------------------------|----------|--------------|
| <b>Customer Charge</b>           |                        | \$2.07   | \$2.07       |
| <b>Energy Charge</b>             |                        |          |              |
| First 1910 kwhr per living unit, |                        | 0.01032  | 0.02692      |
| Next 3090 kwhr per living unit,  |                        | *        | 0.02692      |
| All excess kwhr per living unit, |                        |          | 0.05         |
| <b>Minimum Charge</b>            |                        |          |              |

The minimum charge for service hereunder shall be the customer charge.

\* Lifeline rates are not available for the specific consumption block.

APPENDIX A  
Page 12 of 24

RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE DM-1 (Continued)

RATES (Continued)

Energy Cost Adjustment Clause:

An energy cost adjustment amount will be included in each bill for service as specified in the Preliminary Statement. The adjustment amount shall be the product of the kilowatt-hour for which the bill is rendered times the adjustment per kilowatt-hour.

SPECIAL CONDITIONS

1. Lifeline usage quantities for living unit applicable to this schedule are as follows:

| Basic Residential Use | Water Heating  | Space Heating ** |
|-----------------------|----------------|------------------|
| 190 kwhr/month        | 200 kwhr/month | 850 kwhr/month   |

2. Lifeline usage quantities are applicable only to living units occupied by permanent local area residents. Living units occupied by recreational customers shall be billed under non-lifeline rates. The master-meter customer must complete and file with the utility a Declaration of Eligibility stating the number of living units occupied by permanent customers, the number of living units occupied by recreational customers and the type of water heaters and space heaters in the complex. The penalty for presenting false information in this Declaration shall be a denial of lifeline service for one year and any legal action which the utility might elect to pursue.
3. It is the responsibility of the customer to advise the utility within fifteen (15) days of any changes in the number of living units wired for service, and in the type of water heaters and space heaters in the complex.
4. The master-meter customer shall differentiate between permanent local area residents and other residential customers in the complex on the basis of a mailing address analysis and any other appropriate information.

\*\* During the six winter months from November 1 to April 30.

APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE DM-1 (Continued)

(Continued) 1-ME SCHEDULE

RATES

(Continued) SCHEDULE

Per Meter  
Per Month

Lifeline Non-Lifeline

Customer Charge ..... \$2.30 \$2.30

Energy Charge:

SCHEDULED RATES

|                                   |         |         |
|-----------------------------------|---------|---------|
| First 1,240 kwhr per living unit, | 0.01147 | 0.02692 |
| per kwhr .....                    |         |         |
| Next 2,760 kwhr per living unit,  |         | 0.02692 |
| per kwhr .....                    |         |         |
| All excess kwhr per living unit,  |         | 0.05    |
| per kwhr .....                    |         |         |

Minimum Charge:

The minimum charge for service hereunder shall be the Customer Charge.

\* Lifeline rates are not available for the specific consumption block.

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APPENDIX A  
Page 10 of 24

RATES - SIERRA PACIFIC POWER COMPANY

GENERAL SERVICE OFFICIALS AGREEMENT - SERVICE

SCHEDULE D-1 (Continued)

1-0 2100000

SPECIAL CONDITIONS (Continued)

Lifeline usage quantities are applicable only to separately metered, permanent residential customer. Recreational or Vacation home customer shall be billed under non-lifeline rates. Utility may require customer to complete and file with it an appropriate Declaration of Eligibility for lifeline rates. The penalty for presenting false information in this Declaration shall be any legal action which the utility might elect to pursue.

5. The utility shall differentiate between permanent and other residential customers on the basis of a service and mailing address analysis.

6. It is the responsibility of the customer to advise the utility within fifteen (15) days of any changes in his (or her) residential status, and in the type of water heater and space heaters in the residence.

7. For billing purposes, in cases where customers were formerly billed for an "R" (Water Heating) schedule, in addition to Schedule D-1, the meter readings of both meters shall be combined, and the customer charge shall be based on one meter only.

SCHEDULE DM-1

2100000 2100000

APPLICABILITY

This schedule is applicable to existing domestic cooking, cooling, lighting, power, refrigeration, small appliances, space heating and water heating service supplied to multi-unit single-family dwellings, flats or apartments through an existing master meter on a single premises which (a) are not submetered, and (b) are billed for service under the terms of utility's Rule No. 19-C.2. This schedule is closed to all new customers as of the effective date.

...

...

APPENDIX A

SIERRA PACIFIC POWER COMPANY - RATES

RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE D-1

(SCHEDULE) 1-10-1962

(SCHEDULE) 2-10-1962

RATES

Per Meter  
Per Month

|                            | Lifeline | Non-Lifeline |
|----------------------------|----------|--------------|
| Customer Charge            | \$1.65   | \$2.30       |
| Energy Charge:             |          |              |
| First 1,910 kwhr, per kwhr | .01147   | .02692       |
| Next 3,090 kwhr, per kwhr  | *        | .02692       |
| All excess kwhr, per kwhr  | *        | .05          |
| Minimum Charge:            |          |              |

The minimum charge for service hereunder shall be the customer charge.

Energy Cost Adjustment Clause:

An energy cost adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

SPECIAL CONDITIONS

- Service hereunder shall be single-phase service only.
- Service hereunder shall be supplied to electric motors no larger than 10 horsepower.
- Lifeline usage quantities applicable to this schedule are as follows:
 

|                       |                |                  |
|-----------------------|----------------|------------------|
| Basic Residential Use | Water Heating  | Space Heating**  |
| 240 kwhr/month        | 250 kwhr/month | 1,420 kwhr/month |

\* Lifeline rates are not available for the specific consumption block.  
 \*\* During the six winter months from November 1 to April 30.



APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE PA

(Domestic) 4-2 2707602

RATES

Per Meter  
Per Month

|                                 |        |
|---------------------------------|--------|
| <u>Customer Charge</u> .....    | \$2.30 |
| <u>Energy Charge</u> .....      |        |
| First 500 kwhr, per kwhr .....  | 0.0430 |
| Next 4,500 kwhr, per kwhr ..... | 0.0330 |
| All excess kwhr, per kwhr ..... | 0.0258 |

Minimum Charge:

The minimum charge for service hereunder shall be the customer charge.

Energy Cost Adjustment Clause:

An energy cost adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

SCHEDULE S-4

APPLICABILITY

This schedule is applicable to street, highway and other public outdoor lighting installations using brackets or mast arms or center suspension construction and supplied from overhead lines. This schedule is closed to all new customers as of the effective date.

APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE S-4 (Continued)

AS ESTABLISHED

RATES FOR  
SCHEDULE S-4

DETAILS

The rate is applicable to lamps mounted on suitable poles which may also be used to carry utility's distribution system circuits. Lighting equipment will be installed, operated and maintained by utility. Lighting equipment installed shall be as specified by utility as to type of bracket, lamp fixture and overhead supply circuits. Service includes energy, lamp and glass replacements and operation and maintenance of the installation.

| Multiple Lamps               | Rate Per Lamp Per Month Installed On |                    |
|------------------------------|--------------------------------------|--------------------|
|                              | (a)<br>Wood Poles                    | (b)<br>Metal Poles |
| Nominal Lamp Rating          | Poles                                | Poles              |
| (1) 100 Watts - 1,400 Lumens | \$5.25                               | \$ N/A             |
| (2) 189 Watts - 2,500 Lumens | 6.08                                 | N/A                |
| (3) 230 Watts - 3,200 Lumens | 7.50                                 | 14.58              |
| (4) 340 Watts - 4,800 Lumens | 9.33                                 | 16.44              |

SCHEDULE S-4

APPENDIX A

Lighting poles are provided, location of installation at customer's site. Poles are used to support poles and associated lighting equipment. Poles shall be provided with lighting and maintenance. Poles shall be provided with lighting and maintenance. Poles shall be provided with lighting and maintenance.

RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE S-4 (Continued)

R-21 21000002

RATES (Continued)

0222AE

Energy Cost Adjustment Clause: (A)

An energy adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

SPECIAL CONDITIONS

1. Service hereunder is for dusk-to-dawn burning hours of approximately four thousand one hundred (4,100) hours per year.

2. For the purposes of applying the energy cost adjustment clause, the following monthly consumptions will be used:

|  |  | <u>Multiple Lamps</u> |                    |
|--|--|-----------------------|--------------------|
|  |  | <u>Size</u>           | <u>Consumption</u> |
|  |  | 100 Watts             | 35 kwhr            |
|  |  | 189 Watts             | 67 kwhr            |
|  |  | 230 Watts             | 81 kwhr            |
|  |  | 340 Watts             | 120 kwhr           |

3. This schedule shall be discontinued on January 1, 1988. The utility shall transfer all existing customers on an orderly basis to Schedule IS-5 on or after January 1, 1979 and before January 1, 1988.

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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE LS-5

(b) (1) 4-2 210000

RATES

(b) (1) 210000

(A) OVERHEAD SERVICE - UTILITY OWNED INSTALLATION

This rate is applicable to lamps mounted on suitable existing poles which are also used to carry Utility's distribution system circuits. Lighting equipment will be installed, operated and maintained by Utility. Lighting equipment installed shall be as specified by Utility as to type of bracket, lamp fixture and overhead supply circuits. Service includes energy, lamp and glass replacements and operation and maintenance of the installation.

Rate-Per-Lamp Per Month

Installed On

| Nominal Lamp Rating | (a) Existing |            |             | (b) New |            |             | (c) New |            |             |
|---------------------|--------------|------------|-------------|---------|------------|-------------|---------|------------|-------------|
|                     | Poles        | Wood Poles | Metal Poles | Poles   | Wood Poles | Metal Poles | Poles   | Wood Poles | Metal Poles |
| (1) 7,000 Lumens    | \$ 6.95      | \$ 9.14    | \$13.80     |         |            |             |         |            |             |
| (2) 20,000 Lumens   | 10.95        | 13.12      | 17.80       |         |            |             |         |            |             |
| (3) 55,000 Lumens   | 14.37        | 16.02      | 19.58       |         |            |             |         |            |             |

This schedule shall be applicable to lamps mounted on suitable existing poles which are also used to carry Utility's distribution system circuits. Lighting equipment will be installed, operated and maintained by Utility. Lighting equipment installed shall be as specified by Utility as to type of bracket, lamp fixture and overhead supply circuits. Service includes energy, lamp and glass replacements and operation and maintenance of the installation.

APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE LS-5 (Continued)

(continued) 2-21 57076 1A

RATES (Continued)

57076 1A 2-21

(B) UNDERGROUND SERVICE - UTILITY-OWNED INSTALLATION

This rate is applicable to lamps mounted on poles supplied from underground circuits of Utility. Lighting equipment will be installed, operated and maintained by Utility. Lighting equipment installed shall be as specified by Utility as to type of bracket, lamp fixture and underground supply circuits. Service includes energy, lamp and glass replacements and operation and maintenance of the installation.

| <u>Nominal Lamp Rating</u> | <u>Rate Per Lamp Per Month</u> |
|----------------------------|--------------------------------|
| (1) 3,500 Lumens           | \$11.96                        |
| (2) 7,000 Lumens           | 14.04                          |
| (3) 20,000 Lumens          | 19.36                          |
| (4) 55,000 Lumens          | 27.18                          |

(C) CUSTOMER OWNED INSTALLATION

This rate is applicable to service where the mercury vapor lighting equipment (including suitable circuits and terminals for connection to utility's overhead system) is installed and owned by customer. Service includes energy, lamp and glass replacements and operation of the installation, but does not include maintenance or replacement of customer owned equipment other than lamps and glasses.

| <u>Nominal Lamp Rating</u> | <u>Rate Per Lamp Per Month</u> |
|----------------------------|--------------------------------|
| (1) 20,000 Lumens          | \$ 8.23                        |

(D) ENERGY COST ADJUSTMENT CLAUSE

An energy cost adjustment amount will be included in each bill for service as specified in the preliminary statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment per kilowatt-hour.

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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE LS-5 (Continued)

(Continued) 2-01 8707602

SPECIAL CONDITIONS

(Continued) 8707602

1. Service hereunder is for dusk-to-dawn burning hours of approximately four thousand one hundred (4,100) hours per year.
2. Utility shall not be required to make investments in new installations under Rates (A) and (B) in excess of \$700 per mercury vapor lamp.
3. Relocation of existing street lights hereunder at customer's request will be done by utility provided customer reimburses utility for net expense incurred.
4. Multiple or series service hereunder shall be at utility's option.

|        |                  |
|--------|------------------|
| \$0.41 | 2,000 Lamps (A)  |
| \$1.21 | 7,000 Lamps (B)  |
| \$2.21 | 20,000 Lamps (C) |
| \$3.78 | 55,000 Lamps (D) |

CUSTOMER OWNED EQUIPMENT REMOVED (C)

This rate is applicable to service where the removal of lighting equipment (including existing and temporary lighting equipment) is required for connection of utility overhead system. Service includes removal and disposal of equipment and operation of the installation for one year. It includes maintenance or replacement of customer owned equipment other than lamps and fixtures.

|                         |                     |
|-------------------------|---------------------|
| Rate per lamp per month | Nominal Lamp Rating |
| \$ 8.28                 | 20,000 Lamps (1)    |

ENERGY COST ADJUSTMENT CLAUSE (C)

An energy cost adjustment clause will be included in one bill for service as specified in the preceding paragraph. The adjustment amount shall be the product of the energy cost index for which the bill is rendered and the adjustment for kilowatt-hour.

APPENDIX A  
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RATES - SIERRA PACIFIC POWER COMPANY

SCHEDULE LS-5 (Continued)

SPECIAL CONDITIONS (Continued)

- For the purposes of applying the energy cost adjustment clause, the following monthly consumptions will be used:

| <u>Nominal Lamp Rating</u> | <u>Consumption</u> |
|----------------------------|--------------------|
| 3,500 Lumens               | 45 kwhr            |
| 7,000 Lumens               | 67 kwhr            |
| 20,000 Lumens              | 160 kwhr           |
| 55,000 Lumens              | 382 kwhr           |

- Effective January 1, 1979, the utility shall offer customers high-pressure sodium vapor lamps of various sizes. The charges and special conditions for this service shall be incorporated within the schedule on or about the above-mentioned date.

SCHEDULE SE

SERVICE ESTABLISHMENT CHARGES

APPLICABILITY

Applicable to all customers.

TERRITORY

Entire service area.

RATES

|                                    | <u>Regular Hours</u> | <u>Outside Regular Hours</u> |
|------------------------------------|----------------------|------------------------------|
| Electric Turn on or Meter Set..... | \$ 5.00              | \$10.00                      |
| Change of Account.....             | 5.00                 | Service Not Available        |

SPECIAL CONDITIONS

- The applicable service establishment charge provided for herein is in addition to the charges calculated in accordance with the applicable schedule and will be made each time an account is opened, including a turn on, meter set or reconnection of electric service or a change of account.
- The outside regular hours rate is to be applied whenever the customer requests that electric service be turned on or reconnected outside regular business hours or within four hours after his request.

A. MISSISSIPPI  
AS TO 20 2002

MISSISSIPPI POWER COMPANY - SIERRA

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(MISSISSIPPI) 2-21 2002

RATES - SIERRA PACIFIC POWER COMPANY

(MISSISSIPPI) 2002/01/04

RULE NO. 3 The charges for connection of service and for change of account are set forth in Schedule No. SE.

D. Connection of Service and Change of Account

1. The utility will endeavor to connect electric service as soon as possible after an application for service has been received; however, it will not be required to connect a service on the day the application is received if the connection cannot be scheduled during regular working hours for that day. At the customer's request, such connection may be made during a period other than regular working hours.

2. The charges for connection of service and for change of account are set forth in Schedule No. SE.

RULE NO. 11

I. The charges for restoration or reconnection of service are set forth in Schedule No. SE.

| Charge                        | Rate    |
|-------------------------------|---------|
| Electric Turn on or Meter Set | \$ 2.00 |
| Change of Account             | 2.00    |

The utility will endeavor to connect electric service as soon as possible after an application for service has been received; however, it will not be required to connect a service on the day the application is received if the connection cannot be scheduled during regular working hours for that day. At the customer's request, such connection may be made during a period other than regular working hours.