

ORIGINAL

Decision No. 92069 JUL 29 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SIERRA PACIFIC POWER COMPANY)
for Authority to Implement its)
Energy Cost Adjustment Clause)
(ECAC). }

Application No. 59491
(Filed March 3, 1980)

Patrick T. Kinney, Attorney at Law (Nevada),
for Sierra Pacific Power Company, applicant.
James T. Quinn, Attorney at Law, Hugo J. Luke,
and Raymond Charvez, for the Commission
staff.

O P I N I O N

Summary of Decision

This decision authorizes Sierra Pacific Power Company (Sierra Pacific) to increase its Energy Cost Adjustment Billing Factors (ECABFs) from the present 2.143¢/kilowatt-hour (kWh) to 3.084¢/kWh for lifeline sales and from 2.955¢/kWh to 4.252¢/kWh for nonlifeline sales. The increased rates will produce \$5,295,400 in additional revenue on an annual basis, which is a 26.1 percent increase in overall revenues.

Application

Sierra Pacific filed this application pursuant to its Energy Cost Adjustment Clause (ECAC) previously authorized by the Commission. The application seeks authority for Sierra Pacific to generate \$6,070,849 in additional revenue by increasing its ECABF from 2.143¢/kWh to 3.685¢/kWh for lifeline sales and 2.955¢/kWh to 4.470¢/kWh for nonlifeline sales.

A duly noticed public hearing was held in this matter before Administrative Law Judge Donald B. Jarvis at South Lake Tahoe on April 22, 1980. The matter was submitted subject to the filing of late-filed exhibits, transcript, and briefs which were received by May 27, 1980. The Commission staff (staff) filed a corrected exhibit on June 2, 1980.

Material Issues

The material issues presented in this proceeding are:

1. How should economy energy sales be calculated for the purpose of determining the offset rate in this proceeding?
2. How should the power sales between Pacific Gas and Electric Company (PG&E) and Sierra Pacific be accounted for in this proceeding?
3. What is the appropriate rate design for spreading the rates which may be authorized in this proceeding between lifeline and nonlifeline schedules?

Position of Sierra Pacific

Sierra Pacific contends that its existing rates are insufficient to meet the increased costs of fuel and/or purchased power. It asserts that additional annual revenue of \$6,070,800 is necessary to meet these costs and that if the application be granted there will be no increase in its net operating income.

Position of Sierra Pacific Customers

Three of Sierra Pacific's customers gave sworn statements at the hearing. In general, they testified about the economic hardship caused by increased rates. Two of the witnesses told of their efforts to conserve energy but indicated that because of an aged or disabled parent living in the household it was necessary to use sufficient energy to maintain a comfortable temperature for them. One of these witnesses also testified that there should be

a special lifeline increment for persons who were not served by a water system and used electricity to pump domestic water from their own wells. The other witness testified that any rate increase should be contingent on Sierra Pacific's developing alternate sources of energy.

The third witness questioned the manner in which ECAC operates. He expressed the concern that large seasonal or intermittent users of electricity, such as ski areas, would not benefit where an excessive ECABF was in effect at the time of great electric consumption and there was little usage in the subsequent period when the ECABF was adjusted downward. He also questioned the possibility of Sierra Pacific's bootstrapping rates because it is subject to the jurisdiction of three regulatory agencies.

Items of Contention Between
Sierra Pacific and the Staff

There was agreement on most matters between Sierra Pacific and the staff by the end of the hearing. There are three items in dispute:

1. Sierra Pacific calculated the offset rate, utilizing the incremental cost of economy energy sales actually recorded during the test year. The staff recommends using average incremental cost during the last month of the record period.
2. Power sales. Sierra Pacific has two power sale contracts with PG&E. In one, Sierra Pacific has contracted for 108 megawatts of power from PG&E on a take or pay basis. In the other, Sierra Pacific has agreed to provide PG&E 50 megawatts of firm power for a 24-hour period subject to appropriate notification and its prior consent. Sierra Pacific contends that the purchases

and sales under each contract should be accounted for as separate transactions. The staff contends that the sales to PG&E should be accounted for as exchanges and used to diminish the amount of power purchased from PG&E.

3. Rate Design. Sierra Pacific proposed a uniform 1.515¢/kWh increase for both lifeline and nonlifeline sales. The staff recommends that a uniform percentage increase be applied to lifeline and nonlifeline sales.

Discussion

A. Matters of Concern to Customers

The cost of energy needed to generate electricity is an allowable expense for Sierra Pacific. No rate of return is allowed on this type of expense. In today's world fuel costs go up and down rapidly. The Commission has established ECAC provisions for all electric utilities. ECAC provides for a balancing account. When fuel costs go up the ECABF portion of Sierra Pacific's rates is increased, which results in higher rates. When fuel costs go down the ECABF is reduced, which results in lower rates. ECAC proceedings scrutinize the alleged change in fuel costs.

1. Lifeline

In 1976 the Commission instituted an investigation relating to the appropriate quantities of lifeline for all gas and electric utilities subject to its jurisdiction. The Final Opinion in Phase II of that proceeding considered contentions similar to those advanced herein. The Commission declined to establish a lifeline increment for pumping of well water for domestic use or for persons living in facilities providing long-term care and housing for the aged. (Investigation of Lifeline Quantities (1978) 83 CPUC 589.)

Since an ECAC proceeding is limited to very narrow issues, it is not appropriate to consider questions relating to lifeline quantities herein. However, in Investigation of Lifeline Quantities the Commission made the following findings:

"4. The proposed end uses of pumping of domestic well water and gas for residential air conditioning do not fall within the criterion set forth in the preceding finding, and lifeline quantities and volumes for such uses should not be generally established. However, we will in future rate proceedings consider allowances for domestic well pumping where significant need by customers is demonstrated."

* * *

"9. There are no data in the record which will permit us to define reasonable standards of eligibility for lifeline gas and electric service or sufficient evidence to designate lifeline volumes and quantities for permanent residents of single rooms in homes for the aged, boarding and rooming house, dormitories, hotels, and similar residences." (83 CPUC at 605, 606.)

Sierra Pacific has recently filed an application for a general rate increase with the Commission (NOI 24). It would be appropriate to raise questions relating to lifeline quantities in that proceeding if any parties desire to present evidence on that subject.

2. Alternate Sources of Energy

The Commission has been in the forefront of the consideration of new or alternate sources of energy for electrical generation. There have been numerous proceedings dealing with this matter. (E.g., Joint Investigation With Energy Commission Into Potential Use Of Solar Energy In California (1978) 84 CPUC 550.) The following general investigations relating to electric utilities are pending before the Commission: OII No. 13, Investigation to

Determine and Evaluate Proposed Programs for Sale and Installation of Solar Devices; OII No. 42, Investigation into Feasibility of Establishing Various Methods of Providing Low Interest, Long-term Financing of Solar Energy Systems; OII No. 66, Investigation into Form, Timing, and Public Disclosure of Fuel Oil Contracts Entered into by Regulated Electric Utility Companies; and OII No. 67, Investigation for the Purpose of Adopting Methodology for Calculating Marginal Costs of Electric Service. (See also OII No. 26 and OII No. 56.) Since ECAC proceedings only focus on current flow through costs, questions dealing with alternate sources of energy are not appropriate. They are properly considered in other types of proceedings such as the ones previously mentioned.

3. Varying Power Usage

As indicated, an ECAC proceeding focuses on the cost of power to generate electricity. Substantial matters of rate design are not appropriate in ECAC proceedings but are properly handled in general rate cases. In adjusting the ECABF, it is not feasible to relate increased or decreased power costs to types of customer usage. (See Wood v Public Utilities Comm. (1971) 4 C 2d 288, 296, cert. denied 404 US 931.) If persons whose use of large amounts of electricity varies because of climatic conditions have proposals for specific rate or tariff treatment, these proposals should be advanced in a Sierra Pacific general rate case.

B. General Matters

The record indicates that Sierra Pacific operates efficiently. The operating availability of its electrical generating units is 98.41 percent compared to a national average of 86 percent for similar units. Its capacity factor is 62.3 percent compared to the national average of 63.25 percent. Its forced outage rate is 1.22 percent compared to the national average of 4.8 percent.

Southwest Gas Corporation (Southwest) supplies natural gas to Sierra Pacific which is used to generate electricity. At the time this application was filed Southwest informed Sierra Pacific that the applicable rate would be 40.9004 cents per therm of natural gas. At the hearing Sierra Pacific introduced in evidence the revised tariff page filed by Southwest with the Nevada Public Service Commission which provides for a rate of 40.0115 cents per therm. Sierra Pacific and the staff agreed that the calculations in this proceeding should be revised to reflect the rate filed by Southwest. As a result, the annualized fuel and purchased power costs for Southwest attributable to California will be reduced approximately \$212,300.

There were various areas of disagreement between Sierra Pacific and the staff at the outset of the proceeding. During the course of the hearing Sierra Pacific accepted adjustments made by the staff in the magnitude of more than \$260,000. Since there is agreement on these matters, they need not be considered at length.

C. Economy Energy Sales

Revenue from economy energy sales made by Sierra Pacific is used to offset its fuel and purchased power costs. Economy energy sales are made by a utility which is not fully using its power sources at the time of delivery to a buyer which uses the energy to reduce generating electricity with more expensive sources or to avoid curtailing delivery to secondary or interruptible customers.

In arriving at the offset rate, Sierra Pacific utilized the incremental cost of economy energy sales actually recorded during the test year. Sierra Pacific contends that it is authorized to do so under the ECAC statement filed with the Commission. The staff

contends that the average incremental cost for the end of the test year should be used. The Commission finds the staff's position to be the correct one for the reasons which follow.

Sierra Pacific contends that Section 6J(1) of its preliminary ECAC statement provides for the use of actual recorded test period economy energy sales whereas Sections 6H(1)(a) and 6H(2)(a) provide for the use of the end-of-record-period rates for natural gas and purchased power costs. Sierra Pacific also argues that end-of-record-period costs cannot be used for economy energy sales because there may not be any in the last month of the test period.

Sierra Pacific has used two dissimilar sections of its preliminary ECAC statement in attempting to justify the result it seeks. Section 6J deals with the establishment of an Energy Cost Adjustment Account. It does not deal with developing current costs, which is dealt with in Section 6H.

Section 6J provides for an account with monthly entries. Interest charges are calculated monthly on this account. Section 6J(1) provides that:

"Total system costs of fuel and purchased power should be reduced by the amount of revenue, if any, billed during the month for the fuel component of economy or surplus energy sales transactions."

This is a mandate for a standard type of bookkeeping.

Section 6H begins with this preface:

"Current Cost of Fuel and Purchased Energy

"The current cost of fuel and purchased energy shall be developed as follows: ..."

While Section 6H does not specifically mention economy energy sales, it would not be reasonable to calculate the cost of fuel and purchased

energy on a current basis and utilize past figures for economy energy sales. Section 6J adjusts costs and revenues on a monthly basis and is consistent on the basis of its use of recorded figures. The application of Section 6H would yield an improper result if all the factors utilized were not calculated on a consistent basis.

Sierra Pacific's contention that end-of-record-period costs should not be used for economy energy sales because there may not be any sale in the last month has no merit. An end-of-record-period cost may be derived. Section 6H does not call for a computation based upon a transaction in the twelfth month of the test period.

A primary purpose of ECAC is to establish an offset rate that will minimize the differential between projected and actual energy expense. The staff's methodology is more consonant with this purpose than that advanced by Sierra Pacific. The Commission finds that economy energy sales should be calculated on a current basis.

D. Power Contracts with PG&E

As indicated Sierra Pacific has contracted with PG&E for 108 megawatts of power on a take or pay basis. There is another agreement in which Sierra Pacific agreed to provide PG&E 50 megawatts of power for a 24-hour period subject to appropriate notification and its prior consent.

Sierra Pacific contends that the transactions under each agreement are distinct and unrelated and separately billed. It argues that the firm capacity payments for the 108 megawatts should be credited to Account No. 555 (Purchased Power) while payments received from PG&E for the sales of 50 megawatts should be credited to Account No. 447 (Sales for Resale). Under this accounting procedure the benefit of the sales to PG&E inures to Sierra Pacific's shareholders. The amount involved in this proceeding is \$52,548.

The staff contends that the agreement to provide PG&E with the 50 megawatts is one to forego a portion of the 108 megawatts at certain agreed-to times and that both should be included in Account No. 555. Under this procedure the amount of undercollection from Sierra Pacific's customers would be reduced.

Sierra Pacific argues that the Commission has adopted the Uniform System of Accounts established by the Federal Power Commission, the predecessor of the Federal Energy Regulatory Commission (FERC). (Uniform System of Accounts for Electric Utilities (1937) 40 CRC 77.) Sierra Pacific asserts that Account No. 555 of the FERC Uniform System of Accounts provides that "distinct purchases and sales should not be recorded as exchanges." (18 CFR, part 101.) Sierra Pacific asserts that this language mandates the accounting treatment it has given to the 50 megawatts power sales.

Account No. 555 of the FERC Uniform System of Accounts provides in part that:

"Purchased power.

"A. This account shall include the cost at point of receipt by the utility of electricity purchased for resale. It shall include, also, net settlements for exchange of electricity or power, such as economy energy, off-peak energy for on-peak energy, spinning reserve capacity, etc. In addition, the account shall include the net settlements for transactions under pooling or inter-connection agreements wherein there is a balancing of debits and credits for energy, capacity, etc. Distinct purchases and sales shall not be recorded as exchanges and net amounts only recorded merely because debit and credit amounts are combined in the voucher settlement."

Sierra Pacific's argument is flawed by the fact that it assumes the point at issue. In essence, the staff's position is that the 50-megawatt agreement is not a separate, independent agreement but is a modification or novation of the other agreement providing for the temporary forbearance of Sierra Pacific's right to the 108 megawatts. (See Civil Code §§ 1530, 1531(1); San Gabriel Valley Ready-Mixt v Casillas (1956) 142 CA 2d 137; Morgan v Western Ho, Inc. (1962) 200 CA 2d 890.)

There is disparate evidence about the two contracts. Neither was offered in evidence. Jack McElwee, Sierra Pacific's manager - Rates and Regulation, testified that:

"Q Are you aware of any agreements whereby Sierra Pacific has agreed to forego a portion of this firm capacity commitment of 108 megawatts?

"A I am not sure after discussing that terminology 'forego' with the Manager of Power Production that that is a proper terminology.

"I am aware of an agreement whereby we would provide 50 megawatts of capacity to PG&E. Now, whether that term 'forego' would relate directly to PG&E demand kw which is provided to Sierra Pacific, I am not absolutely certain, but there is a commitment, although it is a short-term commitment which would provide that Sierra on occasions at the request of PG&E does provide 50 megawatts of firm capacity."
(RT 20-21.)

"Q Now, if you are receiving 108 megawatts from PG&E, why do you choose to send back 50 megawatts?

"A That is a question I can't answer. I don't know."
(RT 22.)

The staff has cited a decision of the Nevada Public Service Commission which deals with the two agreements. (Decision in Application of

Sierra Pacific Power Company Docket Nos. 2590 and 2592, before Public Service Commission of Nevada, entered January 7, 1980.) The Commission takes official notice of that decision. (Evidence Code § 452(c); Rules of Practice and Procedure, Rule 73.) The following appears in the Nevada decision:

"Mr. Jack McElwee returned to the stand to testify in opposition to the Staff's proposed deduction of Applicant's demand charges for economy energy sales from its Purchased Power Account No. 555 and explained how the actual transaction worked. Applicant had a contract with Pacific Gas and Electric Company for 108 megawatts of firm capacity. Applicant then made a commitment to forego 50 megawatts of that amount and take only 58 megawatts of firm capacity from PG&E. This decrease in its firm capacity, however, then forced the Applicant to start up a generating unit of its own to maintain the spinning reserve requirements necessary for its system. Mr. McElwee termed this commitment to forego contracted capacity, a capacity sale and stated that PG&E was billed for the resultant start up costs of the spinning reserve generator. He explained that these costs were the amounts in question and stated that while Applicant normally combined billing its capacity sales and economy sales for convenience purposes, they were distinct transactions and there had been capacity sales during the test period without associated energy sales. He concluded that Applicant's position was that these capacity sales were a firm commitment for capacity on Applicant's system and, therefore, exhibited a separate pricing configuration and should be included in Account No. 447, Sales for Resale.

"Upon cross-examination Mr. McElwee agreed that the effect of crediting these amounts to Account No. 447 rather than to Account No. 555 would be to flow the benefits of these capacity sales through to the stockholders. He explained that the sales

would probably be classified as FERC jurisdictional revenue and would not, therefore, increase the rate of return on Applicant's Nevada jurisdictional operations. He stated, however, that the capacity rates were fully compensatory to the Applicant, so that the Nevada ratepayer would not be affected one way or the other.

"Questioned by Commissioner MacDonald, Mr. McElwee agreed that Applicant was, in effect, purchasing capacity from PG&E, then giving it back and charging PG&E with the costs associated with the return of that capacity. He stated that Applicant was interpreting this as a sales transaction, but agreed that it could also be termed a reduction of an expense, which was essentially Staff's position on the matter." (Slip decision at pp. 10-11.)

"Applicant did oppose the adjustment proposed by Staff to deduct Applicant's demand charges for its capacity sales from Account No. 555. Applicant argued that these transactions were distinct sales and should be credited to Account No. 447, Sales for Resale. It is clear, however, that any power purchased under Applicant's firm contract for 108 megawatts with Pacific Gas & Electric Company would be included in Account No. 555 and that the cost for that energy would be borne by Applicant's ratepayers. While Applicant seeks to characterize the foregoing of its rights under its contract as a sale, the Commission is of the opinion that it is clearly more appropriate to treat it as a reduction of its expenses under that contract. Applicant further argues that the immediate benefits of foregoing its rights to capacity under that contract should go not to its ratepayers, but to its stockholders instead. The Commission is of the opinion that since Applicant's ratepayers bear the immediate brunt of its purchases under that contract they should also receive the immediate benefit of any reduction in the expenses that would be generated under that contract. Therefore, the Commission concludes that Staff's proposed adjustments to include the demand charges for Applicant's capacity

sales in Account No. 555 are appropriate and should be approved." (Slip decision at p. 17.)

It is not necessary to determine whether the decision of the Nevada Public Service Commission constitutes collateral estoppel.^{1/} Sierra Pacific had the burden of establishing that its proposed accounting for the transactions with PG&E was correct. (Evidence Code §§ 500, 550; Shivell v Hurd (1954) 129 CA 2d 324; Ellenberger v City of Oakland (1943) 59 CA 2d 337.) The Commission finds that Sierra Pacific has failed to meet this burden and that the staff's accounting is more reasonable and it should be adopted.

E. Rate Design

Sierra Pacific proposed to increase the ECABF on a uniform-cents-per-therm basis for lifeline and nonlifeline customers. Sierra Pacific contends that this approach is proper because as of December 5, 1979 its lifeline rate was 35 percent below the total average system rate. The staff contends that because of the magnitude of the increase it would be more equitable to use a uniform percentage increase rate. A comparison of the two proposals, adjusted for the change in Southwest gas rates is as follows:

^{1/} Sierra Pacific contends that the Nevada Public Service Commission uses a different system of accounting than this Commission. Assuming arguendo that this is correct, it would have no bearing on the application of collateral estoppel to facts determined in the Nevada proceeding.

ENERGY COST ADJUSTMENT CLAUSE

<u>Item</u>	<u>Uniform ¢/kWh Rate Design</u>		<u>Uniform % Increase Rate Design</u>	
	<u>Lifeline</u>	<u>Nonlifeline</u>	<u>Lifeline</u>	<u>Nonlifeline</u>
<u>Present Rates</u>				
Offset	2.129¢	2.941¢	2.129¢	2.941¢
Balancing	0.014	0.014	0.014	0.014
Total	2.143	2.955	2.143	2.955
<u>Proposed Increase</u>				
Offset	1.034	1.034	43.89%	43.89%
Balancing	.195	.195		
Total	1.229	1.229		
<u>Proposed Rates</u>				
Offset	3.163	3.975		
Balancing	.209	.209		
Total	3.372	4.184	3.084¢	4.252¢

Appendix A contains comparisons of the revenue effect of the rate design proposals and of typical residential and commercial bills under the present, proposed, and adopted rates.

In view of the theory underlying lifeline rates and the magnitude of the increase here involved, the Commission finds that the staff's methodology is more reasonable and should be adopted.

No other points require discussion. The Commission makes the following findings and conclusions.

Findings of Fact

1. Consideration of what constitutes the appropriate quantity of energy for lifeline rates is not appropriate in an ECAC proceeding. It is more reasonable to consider that question in a generic investigation or general rate case involving a specific utility.

2. It is not appropriate to consider questions dealing with the development of new or alternate sources of energy in an ECAC proceeding.

3. It is not appropriate to consider matters of general rate design in an ECAC proceeding. It is more reasonable to consider these matters in a general rate proceeding involving a specific study.

4. In arriving at the offset rate it is reasonable to calculate the incremental cost of economy energy sales at the current cost at the end of the test year. This mode of calculation is consistent with the way in which the cost of fuel and purchased energy is calculated.

5. Sierra Pacific has entered into an agreement with PG&E for 108 megawatts of power on a take or pay basis. There is another agreement between the companies in which Sierra Pacific agreed to provide PG&E 50 megawatts of power for a 24-hour period subject to notification and its prior consent.

6. Sierra Pacific has not established by a preponderance of evidence that the two agreements are separate, distinct, and in no way related.

7. It is reasonable to construe the 50 megawatts agreement as a modification or novation of the other agreement providing for the temporary forbearance of Sierra Pacific's right to the 108 megawatts.

8. In the light of the present record it is more consonant with the theory underlying lifeline rates to increase the lifeline and nonlifeline rates herein by a uniform percentage rather than uniform cents per kWh.

9. It is reasonable for Sierra Pacific to increase its ECABF as follows:

	<u>Present Rate</u> ¢/kWh	<u>Authorized Rate</u> ¢/kWh
Lifeline	2.143¢	3.084¢
Nonlifeline	2.955	4.252

10. The increases found reasonable in Finding 9 will yield estimated additional annual revenue of \$5,295,400 to Sierra Pacific. Such increase is necessary for effecting a direct recovery from Sierra Pacific's California electric customers of the increased fuel and purchased power costs and is not intended to result in increasing net operating income.

11. The increases found reasonable in Finding 9 can foster the conservation of energy.

12. The changes in electric rates and charges authorized by this decision are justified and reasonable; the present rates and charges, insofar as they differ from those prescribed by this decision are for the future, unjust and unreasonable.

13. There is an immediate need for the rate relief authorized herein. Sierra Pacific is already incurring the costs which will be offset by the rate increase authorized.

Conclusions of Law

1. Sierra Pacific should be authorized to place into effect the ECABFs found to be reasonable in the findings set forth above.


2. The effective date of this order should be the date hereof because there is an immediate need for rate relief.


O R D E R

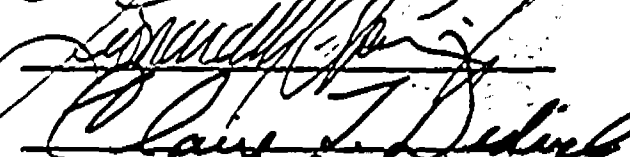
IT IS ORDERED that Sierra Pacific Power Company shall file with this Commission within five days after the effective date of this order, in conformity with the provisions of General Order No. 96-A, revised tariff schedules with rates, charges, and conditions modified so that the Energy Cost Adjustment Clause rates are increased to 3.084¢/kWh for its lifeline rate and 4.252¢/kWh for its nonlifeline rate. The tariff schedules shall become effective five days after filing. The record period for balancing account review in this proceeding remains subject to further review and possible adjustment after issuance of a final decision in Order Instituting Investigation No. 56.


The effective date of this order is the date hereof.

Dated JUL 29 1980 , at San Francisco, California.



President






Commissioners

SIERRA PACIFIC POWER COMPANY
ENERGY COST ADJUSTMENT CLAUSE

REVENUE EFFECT OF RATE DESIGNS

A-59191 / AT/bw

LINE NO.	ITEM	PRESENT			COMPANY PROPOSAL			ADOPTED		
		A	B	C	RATE	INCREMENT	I	RATE	INCREMENT	I
ECAC RATES (CENTS/KWH)										
1	LIFELINE			2.143	3.658	1.515	70.7	3.084	0.941	43.9
2	NON-LIFELINE DOMESTIC			2.955	4.470	1.515	51.3	4.252	1,297	43.9
3	NON-LIFELINE			2.955	4.470	1.515	51.3	4.252	1,297	43.9
4	DIR			0.000	0.000	0.000	00.0	0.000	0.000	00.0

CLASS	SALES ESTIMATE			TOTAL REVENUE			TOTAL ECAC REVENUE REQUIREMENT		
	01/80-01/81 GMH	12/05/79 MS	MS	MS	INCREASE MS	I	MS	INCREASE MS	I
5 DOMESTIC LIFELINE	81.8	3,539.0	1,752.9	2,992.2	1,239.3	35.0	2,522.7	769.8	21.7
6 NON-LIFELINE	143.5	7,393.1	4,240.4	6,414.5	2,174.1	29.4	6,101.6	3,061.2	25.1
7 SUBTOTAL	225.3	10,932.1	5,993.3	9,406.7	3,413.4	31.2	8,624.3	2,631.0	24.1
8 SMALL LIGHT & POWER	93.1	4,796.1	2,751.1	4,161.6	1,410.5	29.4	3,958.6	1,207.5	25.1
9 MEDIUM LIGHT & POWER	74.4	2,845.8	2,198.5	3,325.7	1,127.2	39.6	3,183.5	965.0	33.9
10 LARGE LIGHT & POWER	33.6	1,347.0	992.8	1,501.9	509.1	37.7	1,428.7	435.9	32.3
11 PUBLIC AUTHORITY	0.4	17.7	11.8	17.9	6.1	34.4	17.0	5.2	29.3
12 AGRICULTURE	0.5	27.4	14.7	22.4	7.7	28.1	21.3	6.6	24.0
13 STREETLIGHTS	3.4	314.2	100.4	152.0	51.6	16.4	144.6	44.2	14.0
14 STATE PUMPS (OWR)	0.0	0.0	0.0	0.0	0.0	00.0	0.0	0.0	00.0
15 INTERDEPARTMENTAL	0.0	0.0	0.0	0.0	0.0	00.0	0.0	0.0	00.0
16 TOTAL	430.7	20,240.3	12,062.6	18,588.2	6,525.6	32.2	17,358.0	5,295.4	26.1

APPENDIX A.
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SIERRA PACIFIC POWER COMPANY
ENERGY COST ADJUSTMENT CLAUSE

EFFECT OF RATES ON MONTHLY BILLS
SCHEDULE 0-1

USAGE KWH	PRESENT BILL	COMPANY PROPOSAL			ADOPTED		
		\$ BILL	\$ INCREASE	% INCREASE	\$ BILL	\$ INCREASE	% INCREASE
240	9.51	13.18	3.64	38.2	11.00	2.26	23.7
300	12.89	17.44	4.55	35.3	15.93	3.04	23.6
400	18.46	24.53	6.07	32.9	22.80	4.34	23.5
500	24.04	31.62	7.58	31.5	29.68	5.64	23.5
600	29.62	38.71	9.09	30.7	36.55	6.93	23.4
700	35.20	45.81	10.61	30.1	43.43	8.23	23.4
800	40.78	52.90	12.12	29.7	50.30	9.52	23.3
900	46.35	59.99	13.64	29.4	57.18	10.83	23.4
1000	51.93	67.09	15.16	29.2	64.05	12.12	23.3
1100	57.51	74.18	16.67	29.0	70.93	13.42	23.3
1200	63.09	81.27	18.18	28.8	77.80	14.71	23.3
1300	68.67	88.37	19.70	28.7	84.68	16.01	23.3
1400	74.24	95.46	21.22	28.6	91.55	17.31	23.3
1500	79.82	102.55	22.73	28.5	98.43	18.61	23.3
1600	85.40	109.64	24.24	28.4	105.30	19.90	23.3
1700	90.98	116.74	25.76	28.3	112.18	21.20	23.3
1800	96.56	123.83	27.27	28.2	119.05	22.49	23.3
1900	102.13	130.92	28.79	28.2	125.93	23.80	23.3
2000	107.71	138.02	30.31	28.1	132.80	25.09	23.3
2100	113.29	145.11	31.82	28.1	139.68	26.39	23.3
2200	118.87	152.20	33.33	28.0	146.55	27.68	23.3
2300	124.45	159.30	34.85	28.0	153.43	28.98	23.3
2400	130.02	166.39	36.37	28.0	160.30	30.28	23.3
2500	135.60	173.48	37.88	27.9	167.18	31.58	23.3

TOTAL EFFECTIVE RATES (BASED ON 240 KWH LIFELINE ALLOWANCE)

	PRESENT	COMPANY PROPOSAL	ADOPTED
CUSTOMER CHARGE (\$/MONTH)	31.65	31.65	31.65
LIFELINE (\$/KWH)	0.01290	0.01805	0.04231
NON-LIFELINE	0.05578	0.07093	0.06875