

FREQUENTLY ASKED QUESTIONS

SCHEDULE NO. IS-2 **INTERRUPTIBLE IRRIGATION SERVICE**

WHAT IS IS-2?

IS-2 is a subsidized rate that Sierra Pacific Power Company d/b/a NV Energy “Sierra Pacific” charges for certain agricultural loads who agree to interrupt during certain situations. This service is applicable to electricity used solely to pump water to irrigate crops, raise commercial livestock or for other agricultural purposes.

The IS-2 customer must agree to have their electric service INTERRUPTED upon notification by Sierra Pacific. In turn for a reduced rate, the IS-2 customer must also self-curtail during the hours of 2:00 p.m. and 6:00 p.m. or pay a NCPR.

WHY DID THE IS-2 SCHEDULE CHANGE?

The Public Utilities Commission of Nevada “PUCN” identified an equity issue in the rate that is charged for the IS-2 class of customers when compared to other rate classes served by Sierra Pacific.

In return for the reduced rate that IS-2 customers pay, they would interrupt during peak periods (high cost hours) to reduce the system costs.

WHAT HAPPENED IN 2008?

During 2008, Sierra Pacific, the PUCN, the Nevada Farm Bureau and State Assemblymen from the northern Nevada districts were involved with many town meetings, workshops and PUCN hearings in Winnemucca and Carson City to discuss the IS-2 issues.

As a result of many Commission workshops and hearings, the Commission implemented rule and rate changes related to the IS-2 Schedule.

WHAT CHANGED IN 2009?

Effective March 1, 2009 through October 31, 2009, the IS-2 irrigation rate will increase from \$0.05836 to \$0.06417 per kWh. The calculation is based on the lowest average rate of 17 entities providing service in Nevada.

Effective July 1, 2009, an IS-2 customer who chooses NOT to curtail between the hours of 2:00 p.m. and 6:00 p.m., Monday through Friday, during the months of July and August will pay a Peak Period Non-Curtailment Penalty Rate of \$0.24105 per kWh *in addition* to the \$0.06417 IS-2 rate. The total rate to be paid if an IS-2 customer fails to self-curtail is \$0.30522 per kWh.

FREQUENTLY ASKED QUESTIONS:

1. How can I become an IS-2 customer?

To qualify as an IS-2 customer, you must submit and agree to the following documents:

- a. IS-2 Contract (pages 1-3);
- b. Information Sheet (page 4); and
- c. An eligibility document referenced as follows:

i. A letter from the county assessor, current year tax bill, assessment statement, or other suitable documentation from a government source showing that the Premise(s) upon which service is received is taxed under an agricultural use assessment, as determined by the county assessor pursuant to NRS 361A.100; OR

ii. A letter from the Nevada State Department of Agriculture verifying that the Premise(s) upon which service is received produces an agricultural product or is used solely for an agricultural use pursuant to NRS 587.290; OR

iii. If the premise is located on governmental or tribal land and is not assessed by the county, a letter from the governmental or tribal agency on official letterhead signed by an appropriate governmental or tribal official, detailing their agricultural use will be required. A site visit by the Utility will also be preformed to verify that the Premise(s) upon which service is received produces an agricultural product or is used solely for an agricultural use pursuant to NRS 587.290.

The **Contract** and **Information Sheet** can be downloaded from Sierra Pacific's web site located at:

<http://www.nvenergy.com/company/rates/is2customer/index.cfm>

An explanation of **Schedule IS-2** is also on Sierra Pacific's web site located at the same link referenced above:

Return the above documents to:

JEANNE MATTHEWS
SIERRA PACIFIC POWER COMPANY
P.O. BOX 10100 – M/S S1A35
RENO, NV 89520
or
FAX: 775-834-4447
or
E-Mail: JeanneMatthews@nvenergy.com

2. *Will I need to qualify as an IS-2 customer every year?*
No. SPPC is required to qualify existing IS-2 customers every three (3) years OR when a new account is established.

3. *Is Sierra Pacific going to interrupt service to irrigation or other agricultural pumps during the irrigation season?*
Sierra Pacific will NOT interrupt service to the pumps of any IS-2 customer, except for a system emergency.

4. *What is the purpose of the controller that was installed on my equipment?*
Sierra Pacific was ordered by the PUCN to install interruption load control equipment on IS-2 customer's irrigation equipment for Sierra Pacific to initiate interruption to preserve system integrity during an emergency situation.

5. *If I have a question about the controller, who do I contact?*
Please call 1-866-241-2178 and leave your name and phone number. A representative of SPPC will get right back to you. You can also send an e-mail to IS-2Information@nvenergy.com for additional information or refer to the company's web site located at:
<http://www.nvenergy.com/company/rates/is2customer/index.cfm>

6. *Is SPPC going to use the controllers to shut down my system during the peak hours?*
No. It is the responsibility of the IS-2 customer to curtail in order to avoid the Peak Period Non-Curtailment Penalty Rate referenced above beginning July 1, 2009. SPPC will ONLY use the load controller to interrupt service in an emergency situation.

7. *What constitutes an emergency situation?*
Sierra Pacific will determine when a system-wide or localized transmission or distribution emergency situation exists and must be relieved by a reduction of load. Sierra Pacific could be directed by the Western Electric Coordinating Council to shed load in order to avoid system impact situations.

8. *Does the IS-2 rate change from year-to-year?*
Yes. The annual rate is set by the Public Utilities Commission of Nevada's Staff on September 15 of every year. The rate is calculated by taking the lowest average rate charged by 17 entities that provide service in the State of Nevada.

9. *What is the irrigation season and does it change from year to year?*
No. The irrigation season does not change from year to year and runs from March 1 to October 31.

10. *Who do I contact at Sierra Pacific if I have an outage?*
Contact Sierra Pacific's Dispatch Center at 775-834-4100 to report an outage. When reporting an outage, it is helpful for Sierra Pacific to know your service address and premise number.

11. *How many IS-2 customers does Sierra Pacific have?*
There are a total of approximately 440 IS-2 customers with 1100 premises.

For further information and updates to Schedule IS-2, please refer to Sierra Pacific's web site at:
<http://www.nvenergy.com/company/rates/is2customer/index.cfm>