# **Understanding Your Bill**

NORTHERN ELECTRIC MEDIUM GENERAL SERVICE AND GAS
COMMERCIAL NATURAL GAS SERVICE BILL STATEMENT CHARGE DESCRIPTIONS



# 1. Service Address

This is the location where you receive and use electricity. It may be different from your billing address.

#### 2. Electric Historical Usage Data

This historical usage data includes the current and previous month, as well as usage for the prior year so that you can track increases and decreases in the amount of energy you use. New customers will only see graphs for the months they have occupied their home.

#### 3. Account Number

Remember to put your customer number on your payment checks to ensure proper accounting. You will also need this number when you make a billing inquiry. This section also shows the premises number, billing date and the next meter read date.

#### 4. Account Summary

At-a-glance information about your billing date, next read date, previous balance, payments, charges and the current amount due.

#### 5. Message Area

Important messages about your account, programs and services.

# 6. Electric (kWh) Consumption

The charge for electricity used during your billing period. This charge includes the Base Tariff General Rate (BTGR) and Base Tariff Energy Rate (BTER). The BTGR is the amount of revenue the utility needs to cover costs, including a fair return for investors. It is a backward-looking rate and is calculated by reviewing actual costs for a prior test year. The BTGR is updated up or down in each general rate case filing (currently every three years).

An electric utility generally produces electricity for its customers by burning fuel at its power plants to generate electricity and by purchasing electricity (purchased power) from other electric companies. The BTER reimburses the utility for fuel and purchased power costs the company pays on behalf of its customers. Increases or decreases are passed on dollar-for-dollar with no profit to the company. Utilities cannot, under Nevada law, profit from fuel and purchased power costs. The BTER is adjusted every quarter on Jan. 1, April 1, July 1 and Oct. 1.

# 7. Deferred Energy Adjustment

This rate adjustment reimburses the utility for the electricity purchased on behalf of its customers. It is the difference between the money the utility collected for fuel and purchased power costs (BTER) and the actual costs for the fuel and purchased power. If more revenue was collected through the Base Tariff Energy Rate (BTER) to reimburse the utility on a dollar-for-dollar basis, the DEAA rate will show as a credit on your bill statement. If less money was collected, the DEAA rate will show as a charge on your bill. In addition to quarterly adjustments, electric utilities must also file an annual Deferred Energy Accounting Adjustment (DEAA) application to the PUCN for its review of the utility's purchased power costs.

# 8. Temporary Green Power Financing (TRED)

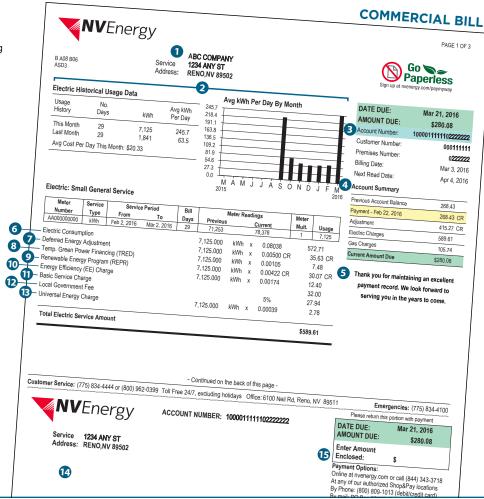
The Temporary Renewable Energy Development trust was established by the Nevada Legislature in 2005. The trust was set up to assure payment for the costs of renewable energy to developers who had approved contracts to sell electricity to NV Energy and were having trouble getting financing to build their renewable generating plants at the time the TRED was created. Nevada Solar One is the only renewable generating plant that is paid through the TRED trust. The trust has been closed to any additional applicants.

#### 9. Renewable Energy Program (REPR)

A charge that helps the development of alternative energy projects and rebate programs approved by the PUCN. Programs include the Solar Energy Systems Incentive Program, a rebate program for electric customers who install solar photovoltaic systems; Wind Energy Systems Demonstration Program, a rebate program for electric customers who install wind energy systems; and Waterpower Energy Systems Demonstration Program, a program for agricultural customers who install waterpower energy systems.

# 10. Energy Efficiency Charge (EE)

A charge established by the Legislature to allow utilities to recover energy efficiency and conservation program costs and other expenses. This charge combines two rates, the Energy Efficiency Program Rate (EEPR) and the Energy Efficiency Implementation Rate (EEIR). For the EEPR, it is possible to collect too much or too little revenue from ratepayers to reimburse the utility for program costs. The EEIR reimburses the utility for revenue lost because customers purchased energy efficient appliances and use less energy. Again, it's possible too much or too little revenue is



collected from ratepayers to reimburse the utility. This is adjusted and trued up by the Energy Efficiency Amortization so that the utility only recovers the monies it is allowed to collect

#### 11. Basic Service Charge

A flat monthly charge that reimburses the utility for its investment in the meters and other distribution facilities not recovered in other charges, as well as customer related expenses that do not vary with electric use.

#### 12. Local Government Fee

A fee imposed by local government, including business license taxes, franchise fees and right-of-way fees that is collected by the utility. It is based upon the total amount of your monthly bill excluding the Universal Energy Charge. These fees are not kept by the utility and are passed through to local governments.

# 13. Universal Energy Charge

A mandated fee that funds energy assistance and conservation programs for low-income consumers. Seventy-five percent of the fund is distributed to the Nevada Division of Welfare and Support Services to help low-income customers pay electric and natural gas bills. Twenty-five percent of the fund is distributed to the Nevada Housing Division to assist low-income households implement energy conservation, energy efficiency and weatherization programs. This fee for electric customers is \$0.00039 per kilowatt hours used and \$0.0033 per therm of natural gas used. The rates have not changed since the Legislature established the charge in 2001.

#### 14. Remittance Statement

If you prefer a hard copy bill statement, NV Energy provides a self-addressed envelope for your convenience with each month's statement. Please send the bottom portion of your bill statement with your check or money order and the appropriate postage. For your own protection, please do not send cash.

When you send a check to make your payment, you authorize the utility to initiate an electronic debit from your bank account. Your check will not be returned and funds may be withdrawn the same day the utility receives payment.

# 15. Payment Amount

The amount you are paying on your bill.

# Gas Historical Usage Data (Northern Nevada Only)

This usage history includes the current and previous month, as well as comparative usage for the prior year, so that you can track increases and decreases in the amount of energy you consume. The easy-to-read graph shows your monthly energy consumption for a one-year period. (New customers will only have graphs for the months they have occupied their home.) You can use this information to analyze your energy usage throughout the year. It also contains meter information and service period along with a breakdown of the various gas charges.

# 17. Gas Consumption (Northern Nevada Only)

The charge for natural gas consumed during the billing period. This is calculated based upon the amount of energy contained in the gas delivered. The Charge multiplies the number of therms, a unit of energy equal to 100,000 British Thermal Units (BTUs), used by the gas rate.

# 18. Deferred Energy Adjustment

This rate adjustment reimburses the utility for the electricity purchased on behalf of its customers. It is the difference between the money the utility collected for fuel and purchased power costs (BTER) and the actual costs for the fuel and purchased power. If more revenue was collected through the Base

Tariff Energy Rate (BTER) to reimburse the utility on a dollar-for-dollar basis, the DEAA rate will show as a credit on your bill statement. If less money was collected, the DEAA rate will show as a charge on your bill. In addition to quarterly adjustments, electric utilities must also file an annual Deferred Energy Accounting Adjustment (DEAA) application to the PUCN for its review of the utility's purchased power costs.

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#### 20. Basic Service Charge

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### 21. Local Government Fee

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