

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

IN THE MATTER of the Application of SIERRA
PACIFIC POWER COMPANY D/B/A NV
ENERGY, seeking approval of the 2017-2036
integrated resource plan, its three year Action Plan
for 2017-2019, and its Energy Supply Plan for 2017-
2019.

Docket No. 16-07001

SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY

VOLUME 1 OF 16

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AND CERTIFICATE OF SERVICE**

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TRANSMITTAL LETTER



July 1, 2016

Ms. Trisha Osborne
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701-3109

RE: Docket No. 16-07001 Sierra Pacific Power Company d/b/a NV Energy's Application seeking approval of its triennial integrated resource plan (addressing the twenty-year planning period 2017 to 2036 and action plan period 2017 to 2019) and energy supply plan (addressing the three year period 2017 to 2019).

Dear Ms. Osborne:

Enclosed for filing please find the attached USB Flash Drive electronic device, which contains an Application made by and on behalf of Sierra Pacific Power Company d/b/a NV Energy ("Sierra" or the "Company") seeking approval of its triennial integrated resource plan (addressing the twenty-year planning period 2017 to 2036 and action plan period 2017 to 2019) and energy supply plan (addressing the three year period 2017 to 2019). The entire filing is contained in sixteen volumes, which are numbered sequentially and are individually indexed. A complete index of the entire filing by volume is attached to this transmittal letter.

To facilitate the review of the filing by the Commission and its policy advisors, courtesy copies are being printed and will be provided to both the Carson City and Las Vegas offices as they become available. Please advise me at the number below as to how many printed versions should be delivered to each location. As always, additional copies of either the print or electronic versions of the filing, including executable electronic copies of schedules and statements, will be provided upon request.

Electronic copies of the filing, along with the executable electronic copies of load forecasting and demand-side plan workpapers will be delivered to the Regulatory Operations Staff ("Staff"), and the Attorney General's Bureau of Consumer Protection ("BCP") in both their Carson City and Las Vegas offices.

Accompanying this transmittal letter are portions of the filing that are to be kept under seal pursuant to NAC § 703.527 *et seq.* This information is contained in a sealed envelope, appropriately marked, and contains the unredacted versions of the following:

Customer Specific Information. Sierra's load forecast includes reports of future load provided directly by customers. This information is highly confidential to the providing customers, and is provided to Sierra on condition that the Company maintains its confidentiality. Portions of the load forecast volume, as well as Technical Appendices LF-1 in both the IRP and the ESP qualify for confidential treatment under NRS § 703.190.

Fuel and Purchased Power Price Forecasts. Sierra has prepared price forecasts for natural gas, coal and purchased power for the IRP and the ESP. In the Market Fundamentals narrative in the IRP, the following figures are confidential and have been redacted in the public version of the filing.

- Figure PF-2 (Annual Average Gas Price Forecast);
- Figure PF-3 (Average Market Implied Heat Rate Forecast);
- Figure PF-4 (Average Annual Power Price Forecast-Northern Nevada);
- Figure PF-6 (Base, High and Low Gas Price Forecast- Malin);
- Figure PF-7 (Base, High and Low Power Price Forecast – Northern Nevada);
- Figure PF-8 (Coal Price Forecast – March 2016);
- Figure PF-13 (Purchased Power Price Increases Due to Carbon).

In the Supply Side narrative, the discussion of physical gas procurement premium caps have been redacted. In the ESP, Figure ESP-57, sets forth the coal price forecast and is confidential.

In the IRP, Technical Appendix Items FPP-1 and FPP-2 provide additional confidential fuel price information. Similar information is included in MF-1 and GAS-3 in the ESP.

Fuel and purchased price forecasts qualify for confidential treatment under NRS § 703.190. They derive independent economic value from not being generally known and disclose Sierra's views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies. Releasing this highly sensitive information would disadvantage Sierra's customers by limiting Sierra's ability to foster competition among prospective suppliers, compromising Sierra's negotiating position and reducing its bargaining leverage. Publication of this information also would unfairly advantage competing buyers. Public disclosure of this information will hinder Sierra's ability to achieve the most favorable pricing and terms and conditions from competing suppliers and buyers on behalf of its customers.

Operational Data. A comprehensive IRP analysis necessarily relies on confidential information regarding the performance characteristics of Sierra's generating fleet. In the IRP, the following Technical Appendix items are provided in redacted form in the public version of the filing.

- TA GEN-1. Unit Characteristics Table;
- TA GEN-2. New Generation Unit Performance Data
- TA GEN-3. 2015 Plant Emission Rates;
- TA ECON-1. Workshop Minutes;
- TA ECON-3. Average Generation Cost; and
- TA ECON-5. Marginal Energy Cost.

Similar information is included in ECON-1 in the ESP.

Generation unit characteristics and similar operational data qualify for confidential treatment under NRS § 703.190. The information in these Technical Appendices derive

independent economic value from not being generally known. This information is not known outside the Companies and its distribution is limited within the Companies. Releasing this highly sensitive information would disadvantage Sierra's customers by disclosing Sierra's capabilities to successfully compete in the energy market, both in securing supply on behalf of its customers, or in selling into the market (the proceeds of which are returned to customers). Publication of this information would limit Sierra's ability to participate in competitive markets, advantaging competing market participants and hindering Sierra's ability to achieve the most favorable pricing and terms and conditions from competing suppliers on behalf of its customers.

Renewable Plan. Technical Appendix REN-2 includes PPA placeholder pricing assumptions used by Sierra in developing the Preferred Plan and alternatives. The PPA pricing assumptions qualify for confidential treatment under NRS § 703.190. This information derives independent economic value from not being generally known and discloses Sierra's views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies.

Forecasted Financial Data. A comprehensive IRP analysis necessarily relies on confidential information regarding the impact of the Preferred Plan on the Company's projected financial performance. That information is discussed in the External Filing Requirements section of the Financial Plan, which is included in the Supply-Side narrative. The following figures in the Financial Plan narrative, as well as the accompanying discussion of those figures, are confidential and have been redacted in the public version of the filing.

- Figure FP-3 (Summary of External Financing)
- Figure FP-8 (Funds from Operations to Total Debt)
- Figure FP-9 (EBITDA Interest Coverage)
- Figure FP-10 (Total Debt to Total Capital)
- Figure FP-11 (Cash from Operations to CAPEX)

The financial analysis accompanying the IRP qualifies for confidential treatment under NRS § 703.190. It derives independent economic value from not being generally known and discloses Sierra's views and expectations of the relevant markets. This information is not known outside the Companies and its distribution is limited within the Companies. Moreover, the financial analysis contains non-public financial data and projections.

Ms. Osborne
July 1, 2016
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Pursuant to NAC § 703.5274(1), one unredacted copy of the confidential information will be filed with the Commission's Secretary in a separate envelope stamped "confidential." Redacted versions of confidential information will be submitted for processing and posting onto the Commission's public website.¹

Pursuant to NAC § 703.5274(2), Sierra hereby requests that the above-described information not be disclosed to the public. Sierra requests that this information remain confidential for a period of five years, after which time the Commission may destroy or return the confidential information, at its convenience.

Sierra has transmitted protective agreements to the Staff and BCP so that they may be expeditiously served with the confidential information described above.

Should you have any questions regarding this filing, please contact me at (775) 834-5694 or belliot@nvenergy.com.

Respectfully submitted,

/s/Elizabeth Elliot
Elizabeth Elliot
Associate General Counsel

¹ Two items, Technical Appendix ECON-1 in the IRP and Technical Appendix GAS-3 in the ESP, are only provided in redacted form. These exhibits are identical and are a collection of presentations made to the Staff and BCP at the quarterly gas hedging workshops. The confidential information on ECON-1 and GAS-3 shows coal prices and projected base tariff energy rates ("BTERs"), which are provided in unredacted form elsewhere in the IRP and ESP filings.

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CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing **SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY'S APPLICATION** in Docket No. 16-07001 upon the persons listed below via electronic media to the following:

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DATED this 1st day of July, 2016.

/s/ Connie Silveira
Connie Silveira
Legal Secretary
Sierra Pacific Power Company