

RULE NO. 1
DEFINITIONS

For the purpose of these Tariff Schedules the terms and expressions listed below shall have the meanings set forth opposite.

Abnormal Risk: Abnormal or unusual risk, as it pertains to Rule 9, includes the risk that i) project costs will not be fully collected from project developers, and ii) new loads enabled by line extensions will be reduced or terminated – and consequently will not generate the required rate revenue to pay for the cost of the line extension over its life. Factors that may affect the above project costs and revenue recovery include but are not limited to the project developer’s or Premise occupant’s business and credit risk, broader industry and technology risk, and Premise re-occupancy risk.

Account: An account is used to reference the service provided by the Utility to the Customer. An account may include more than one Meter and service at a single Premise.

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Adult: A person 18 years of age or older.

Ancillary Services Those generation services that are necessary to support the transmission of energy and capacity from resources to loads while maintaining reliable operation of the transmission system of the Utility.

Applicant: A person or agency requesting the Utility to supply electric service.

Application: A written or verbal request to the Utility for electric service as distinguished from an inquiry as to the availability or charges for such service. The applicant assumes liability for payment of electric service in accordance with the Utility’s approved tariffs.

Average Month: 30 days.

Basic Service Charge: That portion of the charge for service representing all or part of the fixed costs which remain constant regardless of the quantity of energy consumed and which can be expressed separately for billing purposes.

Billing Demand: See “Demand.”

Billing Period: The time interval between two consecutive meter readings that are taken for billing purposes.

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Commercial or General Service Service to Customers engaged in selling, warehousing, or distributing a commodity, in some business activity or in a profession, or in some form of economic or social activity (offices, stores, clubs, hotels, etc.) and for purposes that do not come directly under another classification of service.

Commission: The Public Utilities Commission of Nevada.

Company: The Nevada Power Company.

Connected Load: The sum of the rated capacities of all of a Customer's equipment that can be connected to the Utility's lines at one time. For motors, the nameplate rating in horsepower will be used. For the purpose of schedules based on horsepower if not specified in the schedule the nameplate rating of other devices will be converted into horsepower at the ratio of 1 kW per horsepower.

Contributions in Aid of Construction: A nonrefundable donation or contribution of monies or facilities by Customer for construction of electric facilities by Utility.

Customer: A person or persons who receives, or whose application for service has been accepted to receive, electric service from Utility; or in whose name such electric service is provided or is to be provided, as evidenced by written, electronic or verbal application for service as may be established by the person's or persons' completion of the application process as specified in the Utility's Tariff schedules. A Customer who receives Residential Service is a Residential Customer. A Customer who receives Non-Residential Service is a Non-Residential Customer.

Customer's Address: The address specified in a Customer's application or contract, or any other address subsequently given to the Utility by the Customer in writing.

Date of Presentation: The date upon which a bill or notice is mailed as postmarked or delivered to the Customer by the Utility.

Day: Calendar Day.

Delinquent Bill: A bill for service which is not paid in full prior to issuance of the next regular billing.

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Demand: Billing Demand: The load or demand used for computing charges under rate schedules based on the size of Customer's load or demand. It may be the connected load, the registered maximum demand, or a modification of either as provided for by the applicable rate schedule.

For some meters, the actual amount of energy used is too large to be registered directly by the meter and the meter displays a precise fraction of the actual energy used. A billing multiplier equal to the reciprocal of the fraction is applied to the difference between the present and previous reads to determine the Customer's actual energy usage for the billing period. After the billing multiplier is applied to the meter reading the result, if a fractional number, is then rounded to the nearest whole kilowatt for billing and rate classification purposes.

Maximum Demand: The average amount of power taken in any fifteen minute interval, or other interval, during a billing period specifically provided for by the applicable rate schedule, which is greater than the average of any other like interval in the same billing period..

Deposit: Security provided by a Customer to ensure payment for service provided by the Utility. A Residential Customer may provide security in the form of a cash or a cash equivalent (like check, money order, credit card, debit card, or electronic funds transfer) payment only. A Non-Residential Customer may provide security in the form of a cash or a cash equivalent (like check, money order, credit card, debit card, or electronic funds transfer) payment, surety bond, or irrevocable letter of credit.

Distribution Lines: Overhead pole lines and/or underground facilities consisting of conduit and cable which are operated at nominal distribution voltages.

Distribution-only Service: The provision of retail electric distribution and other services provided by the Utility to a Customer who has exercised its right and purchases all of its electric supply services (i.e. capacity, energy, transmission and Ancillary) for an account from providers other than the Utility.

Division: The division of consumer relations of the Commission

Elderly: A person who is at least 62 years of age.

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Eligible Customer: Under the provisions of NRS 704B.080, an end-use Customer which is (1) a non-governmental Commercial Service or Industrial Service end-use Customer that has an average annual load of one megawatt or more in the Utility's service territory or (2) a Governmental Entity, including, without limitation, a Governmental Entity providing educational or health care services that performs its functions using one or more facilities which are operated under a common budget and common control and has an average load of one megawatt or more in the Utility's service territory. An Eligible Customer is also an entity authorized to contract with the Utility on behalf of end-use Customers for the provision of transmission or distribution service, or both pursuant to NRS 704.787

Especially dangerous to health: A condition or event likely to cause serious impairment to the health of a person who appears to be unable, without assistance, to manage his own resources, carry out activities of daily living or protect himself from neglect or a hazardous situation.

Governmental Entity: An agency or instrumentality of a government, including without limitation, the State of Nevada or an agent or instrumentality of the State of Nevada and a political subdivision of the State of Nevada or of any other government or an agency or instrumentality of a political subdivision of the State of Nevada or of any other government.

Guarantor: A person who assumes liability for payment of the bill of a Residential Customer in an amount not to exceed the appropriate amount of the deposit for the account of the Customer. A Guarantor must be a Residential Customer of the Utility with Satisfactory Credit.

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Handicapped Person: Any person who is affected by a physical or mental disability as described in NRS 615.110 or a substantial handicap to employment as defined in NRS 615.130, or receives disability benefits from the Social Security Administration.

Industrial Service: Service to Customers engaged in a process which creates or changes raw or unfinished materials into another form or product.

Interval Meter: A Meter or meters that are capable of measuring and recording the electric demand, energy and power factor on fifteen minute interval and is suitable for supplying hourly data as required by the settlement process and for data required to bill applicable Utility Tariffs. Meters that record real and reactive energy flow in fifteen minute intervals so that demand and power factor can be calculated are acceptable technology.

Law: A rule, or rules established and enforced by Federal, State, County or Municipal authorities.

Line Extension: An extension is any continuation of, or branch from the nearest available existing distribution line or facility of the Utility, including any increase of capacity of existing lines or facilities to fulfill the Customer's requirements.

Lot Front Footage: The sum of street-front footage of all lots within the residential subdivision or tract provided that, (a) one-half of the total lot frontage on both streets will be used where a lot is bounded by intersecting streets; and, (b) one-half of the total lot frontage (front, side or sides, and back, if any) on streets will be used for recreational, school and other public use sites.

Meter: All the apparatus for measuring the amount of energy, or energy and demand, delivered to a Customer including all instruments, transformers, and testing facilities, but excluding instrument boards, meter sockets, and enclosures.

Meter Test Standards: Standard of Accuracy (See Rule 17.A-2).

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Net Metering Systems: Net Metering Systems are limited to those systems operating in parallel with the Utility as set forth in NRS §704.766 to 704.775.

New Service: Service provided at locations not previously owned. (N)

Non-Residential Service: Any service that is not Residential Service.

Parallel Generator: A generator that is interconnected to and operates in parallel with the Utility's facilities.

Parallel Operation: The operation of a system in which generation can be connected to a bus common with the Utility's facilities such that power transfer between the Parallel Generator's facilities and the Utility's facilities may result.

Parent: Any person or entity that (a) owns, directly or indirectly, more than 50% of the ownership interest of a Customer; or (b) owns, directly or indirectly, 50% or less of the ownership interest of a Customer but exercises control over the Customer.

Permanent Service: Service which, in the opinion of the Utility, is of a permanent and established character. The use of energy may be continuous, intermittent, or seasonal in nature.

Person: Any individual, partnership, corporation, governmental agency or other organization operating as a single entity.

Point of Delivery: The point where wires or apparatus owned, leased, or under license by a Customer contact the Utility's wires notwithstanding the fact that metering and under certain conditions, transforming takes place beyond (on the Customer's side of) that point.

Premise: All of the real property and apparatus of a Residential Customer or non-Residential Customer employed in a single integrated activity operating under one name in one or more buildings and /or locations on an integral parcel of land where: (a) such buildings and/or locations are situated on a single unit of property; or (b) such buildings and/or locations are situated on two or more units of property which are immediately adjoining or adjacent, and are not divided by intervening public highways, streets, alleys, railways or waterways.

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Qualifying Facility (QF): A facility that meets the criteria set forth in Subpart B, Sections 292.201 through 292.207 of the Code of Federal Regulation.

Reduction of Service Where the Customer's demand and/or kilowatt-hours falls below twenty-five percent of that specified in the Line Extension Agreement and the Utility determines that there is a reasonable likelihood that the Customer's demand and/or kilowatt-hours will remain below that level for most periods in the foreseeable future.

Regular Working Hours: Except for legal holidays as defined by state, county or municipal authority, and also as defined by labor contracts, the period from 8 a.m. to 5 p.m., Monday through Friday.

Residential Service: Service to Customer provided for residential purposes only in a single family dwelling or building, or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home of one or more individuals.

Rule: A provision included in the tariff of a Utility which establishes the application of rates, charges and standards for service and is not included in a rate schedule.

Satisfactory Credit: **For Residential Customers** Satisfactory Credit is established, maintained or reestablished upon the Customer making payments of bills for Utility service for 12 consecutive months and provided that none of the following conditions are present:

- (1) a termination of service for non-payment of bills; or
- (2) more than one (1) returned payment; or
- (3) more than three (3) Delinquent Bills during that period.

When any one of the above conditions are not met, the Residential Customer does not have Satisfactory Credit for the purpose of establishing, maintaining or reestablishing electric service.

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Satisfactory Credit:

For Non-Residential Customers Satisfactory Credit is deemed to have been established, maintained or reestablished upon Customer making payment for utility service for 24 consecutive months and provided that none of the following conditions is present:

(1) A termination of service for non-payment of bills, a returned payment, or a Delinquent Bill within the previous 24 months; or

(2) The Utility may require a security deposit at any time when satisfactory credit cannot be established and/or when information is disclosed regarding a material adverse change in the financial condition of the Customer or its Parent affecting the Customer's ability to pay its Utility bills or indicating an increased likelihood of default or bankruptcy. Such an event would include, but not be limited to: an event of default with respect to borrowed money by the Customer or its Parent to a third party within the previous 24 months; an opinion from the Customer's independent auditors issued within the previous 12 months expressing doubt regarding the Customer's or its Parents ability to continue as a going concern; public disclosure of significant financial losses; disclosure that the Customer or its Parent is considering filing bankruptcy; foreclosure of the Customer 's or Parent's assets by secured creditors or sale of the Customer's or Parent's assets in order to fulfill secured obligations.

When any of the above conditions exist, the Non-Residential Customer does not have Satisfactory Credit for the purpose of establishing, maintaining or reestablishing electric service.

For purposes of the definition of Satisfactory Credit, borrowed money shall mean either (a) a mortgage; (b) a loan; (c) a bond; or (d) a payment obligation that is reflected on the balance sheet of the defaulting entity.

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Service: The availability of electric power and energy at the Customer's point of delivery, in the form, and at the approximate volume required for the purposes specified in application for service or contract irrespective of whether energy is actually utilized by Customer.

Service Location: A location that is a) a single Point of Delivery, b) multiple Points of Delivery on contiguous property or c) multiple Points of Delivery that are treated as a single Point of Delivery for billing purposes.

Service Wires or Connection: The group of conductors, (wires or cables), whether overhead or underground, necessary to connect the service entrance conductors of the Customer to the Utility's supply line, regardless of the location of the Utility's meters or transformers. An overhead service connection, sometimes referred to as a "service drop," is the group of conductors between the Customer's buildings or other permanent support and the Utility's pole deemed most suitable by the Utility.

Single-Family Dwelling: A house, an apartment, a flat, or any other permanent residential unit which contains cooking facilities (not necessarily electric) which is used as a permanent home by a single family.

Standards: The minimum criterion, subject to reasonable engineering judgment, by which a design or construction task shall be accomplished including the delineation of what and how specific materials are to be incorporated into that task. Standards may also include material and equipment specifications.

Standby Generator: A generator that is installed by the Customer with the primary purpose of supplying the Customer's loads and which may or may not operate in Parallel Operation.

Standby Service: Support service that is available, as needed, to supplement a Customer's power needs, and offered under an approved schedule or agreement.

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- Subdivision: An area for family dwelling which may be identified by filed subdivision plans or as an area in which a group of dwellings may be constructed about the same time, either by a large scale builder or by several builders working on a coordinated basis.
- Tariff Schedules: The entire body of effective rates, charges, and rules, collectively, of the Utility, as set forth herein.
- Tariff Sheet: An individual sheet of the tariff schedules.
- Temporary Service: Service to Premises, enterprises, or activities which are temporary in character, or where it is known in advance that the service will be of limited duration.
- Termination of Service: The intentional cessation of service by a Utility to a Customer which has not been requested by the Customer and which occurs pursuant to the tariff of the Utility.
- Timely Payment: Unless otherwise specified, "timely payment" means the payment of a bill for service by a Customer before the date the bill is past due.
- Utility or Utilities: Public Utility as defined in NRS 704.020 which furnishes gas or electricity; such as Nevada Power Company.
- Utility's Operating Convenience: The term refers to the utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; it does not refer to Customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities.
- WSCC: Western Systems Coordinating Council

All definitions are subject to interpretation by the Commission from time to time as the case for such interpretation may arise.

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