

**SCHEDULE NO. IP**  
**INCREMENTAL PRICE TARIFF**

**APPLICABILITY**

This tariff applies to eligible customers who have: 1) been approved to receive energy, capacity, or ancillary services from a provider of new electric resources other than the electric utility pursuant to a PUCN-approved application, as provided by Chapter 704B of the Nevada Revised Statutes; 2) fulfilled or are in the process of fulfilling the requirements of a compliance order pursuant to the PUCN-approved application including the payment of impact fees, if applicable, and payment of their load-ratio share of the deferred balance; and either 3a) provided notice of their intent to depart under NRS Chapter 704B by a date certain but are unable to commence service with a new provider by that date certain, 3b) commenced service with their new provider and subsequently seek to resume receipt of energy, capacity, or ancillary services from the utility on a temporary basis without returning to bundled service, or 3c) commenced service with their new provider and subsequently seek to resume receipt of energy, capacity, or ancillary services from the utility as a bundled service customer. Customers who are eligible under 3b) above will continue to take unbundled transmission service under their Federal Energy Regulatory Commission (FERC) approved transmission service agreement(s). The customer premises determine applicability under this rate schedule. Such premises are specifically identified by the contract executed under Schedule DOS, Distribution-Only Service Rider, unless distribution service for the eligible customer is established by an existing contract or contracts.

(D)  
(N)  
|  
(N)  
(D)

This tariff does not apply to customers who, pursuant to NRS 704.787, have contracted for service under Schedule DOS but now wish to return to the Utility for bundled service.

(D,T)  
(N)

**TERRITORY**

This schedule is applicable to the entire Nevada service territory, as specified.

**RATES**

Charges under this schedule shall consist of one or more of the following components, as applicable or as noted in Special Condition 6:

(N)

Universal Energy Charge (UEC) at currently applicable UEC rate for all kWh, per kWh

(D,T)

Franchise Fees, Taxes and Mill Assessment at the rates otherwise established for customers under bundled electric service.

One-time service reestablishment fee of \$500.00 per meter each time the electric utility reestablishes service for each customer not to exceed \$10,000.00.

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**RATES** (Continued)

Monthly billing fee of \$15.00 per meter not to exceed \$1,500.00 per customer per month for additional scheduling, computational and billing costs.

(L)  
(L)

Distribution Service charge as set forth under the otherwise applicable Distribution-Only Service (DOS) rate schedule, unless Distribution Service for the customer is established by an existing contract or contracts.

Transmission and Ancillary Service charge equal to the sum of charges for the customer under all applicable schedules of the Nevada Power Company and Sierra Pacific Power Company ("NV ENERGY") Open Access Transmission Tariff (OATT), as filed with the FERC (See Special Condition 4.).

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(D,T)

Renewable Portfolio Charge equal to the additional cost required to meet the Renewable Portfolio Standard if any, attributable to the customer's return or the cost of any penalties incurred if the Renewable Portfolio Standard cannot be met.

Long Term Contract market adjustment charge equal to the customer's load ratio share of any out of market component of long-term contracts.

(D)

Charges for Energy and Capacity Service, the incremental electricity cost (IEC), shall be determined as set forth below.

**IEC – Hourly Incremental Price Method:**

The IEC shall be calculated hourly and shall be as follows:

The IEC will be the higher of the hourly system incremental generation cost ("IGC") or the hourly market price calculated from the index described below.

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The hourly market price will be calculated from the Intercontinental Exchange (ICE) Mead Peak or Mead Off-Peak daily index. If ICE does not publish a Mead Peak or Mead Off-Peak daily index, the Palo Verde Peak and Palo Verde Off-Peak index will be used for the specific day where Mead Indices are not available. These prices will then be shaped hourly using the California ISO (CAISO) Mead Day Ahead hourly prices.

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**RATES** (Continued)

**IEC – Hourly Incremental Price Method:** (Continued)

The IGC shall be calculated based on the daily incremental fuel cost and the applicable unit's heat rate curve including unit start-up costs, no-load cost component as applicable, and:

Transition Period: the applicable unit's variable O&M cost per kWh and a generation capacity cost multiplied by 125%. The generation capacity cost shall be equal to the reconciled generation cost per kWh per class resulting from a general rate case.

Post Transition Period: applicable unit's average O&M cost per kWh and a generation capacity cost. The generation capacity cost shall be equal to the reconciled generation cost per kWh per class resulting from a general rate case.

The transition period is defined as the first seven months following the customer's return. The post-transition period shall not exceed 18 months without specific approval from the PUCN.

**SPECIAL CONDITIONS**

1. The eligible customer must notify the utility of its intent to take service from the utility at least thirty (30) days prior to the date that the customer seeks to take service under this schedule. The utility will make reasonable efforts to provide service to an eligible customer upon less than thirty (30) days' notice if events beyond the control of the customer prevent the continued receipt of energy, capacity, or ancillary services from the customer's previous provider.
  
2. The utility will make reasonable efforts to comply with Rule No. 8, Continuity of Service, for service under this schedule. Service under this schedule will be curtailed after service under any interruptible rate schedule but before curtailment under Rule No. 8. C, Apportionment of Supply During Time of Shortage, except that the service curtailment described herein shall not apply to eligible customers receiving service pursuant to Special Condition 6.

(Continued)

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(D)  
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(T)

(D)  
(L)

(L)(N)

(N)

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**SPECIAL CONDITIONS** (Continued)

3. The eligible customer must provide written notification to the utility of its intent to resume receipt of energy, capacity, or ancillary services from an entity other than the utility or for service under any other applicable rate schedule at least thirty (30) days prior to the date that the customer seeks to resume such service. Eligible customers having returned to bundled Utility service who subsequently wish to receive energy, capacity, or ancillary services from an entity other than the Utility, must obtain a Commission approval under NRS Chapter 704B or NRS 704.787 and fulfill the requirements of a compliance order before they are eligible.
4. A customer who is eligible under 3b) of the applicability section will continue to take unbundled transmission service under their FERC approved transmission service agreement(s). The Transmission Provider will charge the eligible customer's Scheduling Coordinator in accordance with the terms and conditions of the transmission service agreement(s) and the FERC applicable rates.
5. A customer who is eligible under 3(a) or 3(b) of the Applicability section and the Utility may enter into an agreement in order to accommodate alternative methods of providing service hereunder. Such methods must without limitation (a) provide for payment by the eligible customer of the Utility's incremental cost in providing the service, (b) not burden the Utility with increased costs, (c) not cause remaining customers of the Utility to pay increased costs, and (d) not impair the reliability of the Utility's system or the Utility's ability to provide electric service to its remaining customers. Such transactions shall be undertaken pursuant to a special contract executed by the eligible customer and the Utility that is filed with and approved by the Commission. The eligible customer shall be responsible for the payment of all increased costs, whether incurred by the Utility or other Customers, in the performance of the agreement, or required by the terms or provisions of the Commission's order rejecting the agreement. In no event shall such agreement or special contract extend beyond the 18-month post-transition period.
6. A customer who is eligible under 3(c) of the Applicability section will be subject to the rate requirements and conditions described in (a) or (b) below. A customer who is eligible under 3(c) of the Applicability section is not eligible for Special Condition 4 and also is not eligible to enter into an agreement pursuant to Special Condition 5.

(Continued)

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(L)  
(N)  
(N)

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**SPECIAL CONDITIONS** (Continued)

6. (a) A customer eligible under 3(c) whose annual load is less than 10 MW annually may elect to return to retail service and take service under its otherwise applicable rate schedule including all public program charges. The total cumulative load of customers electing to take service pursuant to this provision may not exceed 30 MW.
- (b) Otherwise, a customer eligible under 3(c) may take service under this schedule, including paying the Interim Energy Charge, during the pendency of the Commission's rulemaking in Docket No. 19-06029 and shall apply to return to retail service within six months of the adoption of a final regulation in that proceeding addressing the return of 704B customers to bundled service. In the event that the eligible customer does not receive Commission approval to return to retail service, the customer will then qualify as eligible pursuant to 3(b) of the Applicability section or may reapply to return to retail service. In no event shall the customer take service under this tariff for longer than the 18-month post-transition period. For the purposes of this subsection, the eligible customer shall pay all public policy charges, including the R-BTER, in lieu of the Renewable Portfolio Charge and the Long-Term Contract market adjustment charge.

(D,L)  
(N)

(N)

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