

Schedule No. INGR
INCENTIVE NATURAL GAS RATE

APPLICABLE

Applicable to natural gas use by large commercial, industrial, and electric generation Customers whose requirements are 12,000 therms or more per month for use in installed facilities capable of burning alternate fuels or energy.

This schedule is available only for Customer use where gas is burned exclusively in dual fuel capability facilities. This optional schedule is not available for partial requirements gas service where gas is utilized in combination with alternate fuels or energy. Any gas service rendered to Customers not in conformance with the provisions of this schedule shall be billed under the otherwise applicable gas sales schedule.

TERRITORY

Service hereunder is available in Utility's natural gas service area in Reno and Sparks, Nevada, and their environs.

INTERRUPTION OF SERVICE

Utility may, at its option, interrupt the supply of natural gas in whole or in part following notice to Customer as provided in the Service Agreement.

RATES

Basic Service Charge

The applicable basic service charge is set forth in the currently effective Statement of Rates and is incorporated herein by reference. Rates can be found beginning on PUCN Sheet No. 2H.

Commodity Charge

The applicable non-interruptible Tier I rate is set forth in the currently effective Statement of Rates and is incorporated herein by reference. Rates can be found beginning in PUCN Sheet No. 2H. The Tier II interruptible commodity charge per therm shall be determined in accordance with Special Condition No. 1 and the paragraph below describing the accounting for purchased gas costs.

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(Continued)

RATES (Continued)

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Commodity Charge (Continued)

For purposes of accounting for purchased gas costs for sales under this schedule, the Utility shall use the average cost of purchased gas in the Purchased Gas Cost Provision of this tariff, as adjusted for changes in Utility's gas cost, if any. If using the average cost of purchased gas results in a zero or negative margin in the total commodity sales rate, the Utility shall reduce the fixed charge portion of the average cost of purchased gas so that the margin in the total commodity sales rate is greater than zero, and so that the commodity sales rate fully recovers appropriate purchased gas variable and fixed charges. The cost of purchased gas used for accounting purposes shall not be less than the variable portion of the Utility's average cost of purchased gas rate plus some portion of the fixed charges.

Late Charge

1% of any amount in arrears from previous bill.

Tax Adjustment Charge

2% of total bill within incorporated areas.

Universal Energy Charge (UEC)

All Therms, Per Therm \$.00330

MINIMUM CHARGE

The minimum charge per month will be the Basic Service Charge.

SPECIAL CONDITIONS

- The Commodity Charge per therm may vary from Customer to Customer based upon value of the service and on the Customer's ability to change from one fuel to another, and may be revised from time to time as costs and conditions change.

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(Continued)

SPECIAL CONDITIONS (Continued)

- 2. The Customer, prior to the establishment of service under this schedule, shall execute a service agreement. The service agreement shall contain the volumetric entitlement by curtailment priority as defined by NAC 704.501. (T)
- 3. Customer must have and maintain adequate alternate fuel standby facilities of equivalent capacity to those natural gas facilities served hereunder. These facilities are subject to Utility inspection and verification of operation capacity and capability.
- 4. Customers may switch to service under a firm sales or transportation schedule at any time except during periods of interruption. Customers who elect to receive service under a firm sales or transportation schedule must continue to receive service under that firm sales or transportation schedule for a period of at least one year and will not be eligible for service under Schedule No. INGR for that period. Any facilities which must be installed by the Utility to accommodate a Customer's request to switch to Tier 1 non-interruptible or a transportation schedule shall be constructed in accordance with Rule 9. (N)
(N)
(N)
- 5. In no event shall the cost of gas assigned to sales under this schedule be such that will result in an economic detriment to the Utility's system.
- 6. The term "otherwise applicable gas sales schedule" as used herein excludes transportation tariff schedules.
- 7. All service under this schedule will be provided in accordance with the provisions of NAC 704.516 – 704.528. (T)
- 8. The volumetric measurement base hereunder shall be one cubic foot of gas at an absolute pressure of 14.73 pounds per square inch at a temperature of 60° Fahrenheit.
- 9. The UEC as mandated by AB 661, passed by the 2001 Legislature, will go to fund the Nevada fund for energy assistance and conservation. Under certain circumstances, Customers will be refunded amounts paid in excess of \$25,000 per calendar quarter. The Commission will administer the collection of the UEC, certify exemptions, and administer refunds. Exemptions are generally Therms sold to:
 - a) Any governmental agency, including the State of Nevada and any political subdivision thereof, and
 - b) Any Customer using such natural gas solely as a source of energy to generate electricity.
 Except as provided above, all Therms sold are subject to the charge.
- 10. The UEC is not subject to the Tax Adjustment Charge.

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