Agenda 17-26; Item No. 3A Draft Order for discussion at agenda

THIS ORDER IS NOT A FINAL ORDER AND MAY BE SUBSTANTIALLY REVISED PRIOR TO ENTRY OF A FINAL ORDER BY THE PUBLIC UTILITIES COMMISSION OF NEVADA

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Petition of Reno Power NR 1, LLC for an Advisory Opinion or Declaratory Order confirming the applicability of Sierra Pacific Power Company d/b/a NV Energy's Rule 9.A.16 to Proportionate Share Allocations for subsequent interconnections to a master planned community line extension.	)	Docket No. 25-09008

At a special session of the Public Utilities Commission of Nevada, held at the Nevada Legislative Counsel Bureau on September 17, 2026.

PRESENT: Chair Hayley Williamson
Commissioner Tammy Cordova
Commissioner Randy J. Brown
Assistant Commission Secretary Trisha Osborne

[PROPOSED] ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following findings of fact and conclusions of law:

I. INTRODUCTION

On September 15, 2025, Reno Power NR 1, LLC ("Reno Power") filed with the Commission a petition, designated as Docket No. 25-09008, for an Advisory Opinion or Declaratory Order confirming the applicability of Sierra Pacific Power Company d/b/a NV Energy's Rule 9.A.16 to Proportionate Share Allocations for subsequent interconnections to a master planned community line extension.

II. SUMMARY

The Commission denies the petition, finding that, absent a Commission-approved deviation under Rule 9.A.28.b, the plain language of the tariff governs agreements entered into pursuant to the tariff, and that Rule 9.A.16.d.2 excludes the MPC HVD Total Costs of the Gosling 345-kilovolt ("kV") Switching Station from any Proportionate Share Allocation.

III. PROCEDURAL HISTORY

- On September 15, 2025, Reno Power filed the petition pursuant to the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC"), Chapters 703 and 704, including, but not limited to, NAC 703.540 and NAC 703.825. Pursuant to NAC 703.527 et seq., Reno Power requests that certain material in the petition receive confidential treatment.

- On September 22, 2025, the Commission issued a Notice of Petition for an Advisory Opinion or Declaratory Order.

- On October 15, 2025, Sierra Pacific Power Company d/b/a NV Energy ("Sierra" or alternatively, "NV Energy"), Holland & Hart, LLP, and the Regulatory Operations Staff of the Commission ("Staff"), filed comments.

- On October 23, 2025, the Commission's Office of General Counsel filed a briefing memorandum recommending the matter be set for further proceedings.

- On October 28, 2025, the Commission voted, at a regular agenda meeting, to set the matter for further proceedings.

- On November 3, 2025, the Commission issued a Notice of Petition for an Advisory Opinion or Declaratory Order and Notice of Prehearing Conference.

- Staff participates as a matter of right pursuant to NRS 703.301

- On November 26, 2025, Sierra and Switch, Ltd. ("Switch") filed petitions for leave to intervene ("PLTIs").

- On December 4, 2025, the presiding officer held a prehearing conference, attended by Reno Power, Staff, Sierra and Switch wherein the PLTIs and a procedural schedule were discussed.

- On December 8, 2025, the Commission issued Procedural Order No. 1, deviating from the provisions of NAC 703.540(4) and setting a procedural schedule, and Reno Power filed a response in partial opposition to the PLTI filed by Switch.

- On December 10, 2025, the Commission issued a Notice of Hearing.

- On December 11, 2025, Reno Power withdrew its opposition to Switch's PLTI.

- On December 12, 2025, the Commission issued an order granting Sierra's PLTI.

- On December 19, 2025, the Commission issued an order granting Switch's PLTI.

- On January 13, 2026, Reno Power filed direct testimony.

• On February 10, 2026, Reno Power filed an amendment to the filing and Staff and Sierra filed direct testimony.

• On February 24, 2026, Reno Power filed rebuttal testimony.

• On March 6, 2026, the Commission issued Procedural Order No. 2, rescheduling the hearing at the request of the parties and an amended notice of hearing.

• On March 27, 2026, the presiding officer held a hearing and accepted Exhibits 1, 3, 5, 7, and 8, and Confidential Exhibits 2C, 4C, 6C, and 9C into the record.

• On April 10, 2026, Reno Power filed a legal brief.

• On April 24, 2026, Sierra, Switch, and Staff filed responsive legal briefs.

• On May 1, 2026, Reno Power filed a reply legal brief.

• On May 27, 2026, Reno Power filed a change of legal firm notification.

IV. PARTY POSITIONS

Reno Power's Position

1. Reno Power states that the Peru Shelf Master Planned Community ("MPC") is a commercial master-planned community within the Tahoe-Reno Industrial Center ("TRIC") intended to serve large-scale industrial and data center customers, and Reno Power executed a Master Planned Community Umbrella Agreement ("MPC Agreement") and a Substation and High Voltage Distribution Agreement ("SHVD") with NV Energy pursuant to Rule 9 (collectively referred to as "Rule 9 Agreements") to support the MPC's development. (Exhibit 3 at 3.)

2. Reno Power states that under the applicable Rule 9 Agreements, which categorize Reno Power's Peru Shelf MPC as "abnormal risk," Reno Power is funding and supporting the construction of the Gosling 345-kV Switching Station ("Gosling"), which will be used for future high-voltage distribution facilities; and as is typical for large switchyards, and as designed by NV Energy, this facility was designed with terminals sufficient to serve both the MPC load as

well as provide a limited number of spare terminals for future system or non-MPC interconnections. (*Id.*)

3. Reno Power states that under Rule 9, "Total Costs" include all of NV Energy's engineering, design, materials, and construction costs, and in the SHVD, Reno Power agreed to advance or secure these costs; and that the dispute in the present matter is whether a subsequent user who benefits from that "Total Cost" investment must pay a proportionate share. (*Id.* at 4.)

4. Reno Power states that Rule 9 allocates costs based on the principle of cost causation to beneficiaries, and when a subsequent applicant directly connects to facilities that were funded by a prior applicant and uses a portion of the capacity of those facilities, Rule 9.A.16 provides the specific mechanism to allocate a proportionate share of eligible facility costs to that subsequent applicant, ensuring that each user of the facility bears a fair share of the costs associated with the capacity it consumes, which is exactly how NV Energy originally construed the rule in this case. (*Id.* at 4-5.)

5. Reno Power states that Proportionate Share Allocation is critical because it aligns financial responsibility with the committed use of infrastructure and allows for efficient system planning while ensuring that these early developers-who take the "pioneer" risk-are not unfairly burdened with costs that subsidize later users. (*Id.* at 5.)

6. Reno Power states that the SHVD at Section 12.3(a), expressly incorporates Rule 9.A.16, anticipating a scenario where a subsequent applicant connects to the Gosling facility to serve load that is not part of the Peru Shelf MPC, then a Proportionate Share Allocation applies, as the SHVD states: "If a Rule 9 applicant attaches to the Project... Applicant shall be entitled to a Proportionate Share Refund." (*Id.* at 7.)

7. Reno Power acknowledges that Rule 9.C.6 applies to refunds generated by facilities constructed to serve electric loads located within the Peru Shelf MPC, but contends that the express purpose of the rule is to reimburse a developer as the specific master-planned community grows, and that the interconnection of the third party seeking to connect to Gosling to serve load outside the MPC (the "Subsequent Gosling Applicant") is fundamentally different;; it is an external transmission connection serving load entirely outside the MPC boundaries, and that therefore, it does not qualify for the internal MPC refund mechanism and must instead be governed by the proportionate share principles of Rule 9.A.16. (*Id.* at 8.)

8. Reno Power states that Rule 9.A.16.d.2, which states that Proportionate Share Allocations "shall not include MPC substation... total costs," is designed to prevent "double dipping" within an MPC, by ensuring that when a homebuilder or commercial tenant inside the master plan connects, they aren't charged a Proportionate Share Allocation because the total cost is already covered by the developer and their load contribution will generate a refund to that developer under Rule 9.C.6. (*Id.* at 12.) Reno Power further contends that this is also a simplifying mechanism for NV Energy, avoiding the need to determine Proportionate Share Allocations across hundreds of potential end-users that could exist within a traditional residential master planned community, instead focusing the financial responsibility on a single entity - the sponsoring developer of the MPC, and was never intended to exempt a massive, high-voltage transmission user located outside the MPC from paying for the infrastructure they consume. (*Id.* at 12-13.)

9. Reno Power states that Rule 9.C.6 has exclusively been applied to internal distribution buildouts for the master-planned community itself, and the circumstances of Reno

Power's development raise scenarios that were never contemplated in the drafting of Rule 9. (*Id.* at 13.)

10. Reno Power states that the application of Rule 9.C.6. allows the subsequent beneficiary to avoid any direct financial responsibility for the shared interconnection facilities or their respective reservation of HVD capacity, as the subsequent beneficiary does not need to put forward any advance subject to potential refund or security associated with their committed usage; instead, Rule 9.C.6 allows the subsequent applicant to benefit from the capital or financial assurances provided by the pioneer customer, in this case, Reno Power. (*Id.* at 16.) Reno Power states that inclusion of the outside customer's load may accelerate refunds under 9.C.6, however, if the outside customer's load never materializes then the pioneer customer receives no benefit, and that even if all refunds are eventually issued, this represents a serious time-value-of-money issue. (*Id.*)

11. Reno Power states that NV Energy's own project team understood Rule 9.A.16 to be the standard operating procedure for this type of interconnection, and that deviating from that standard now would create uncertainty for future developers who rely on the consistent application of the Tariff to model their infrastructure investments. (*Id.* at 17.)

12. Reno Power contends that the Rule 9 Agreements entitle it to a proportionate share refund, as the SHVD Agreement states, in section 12.3(A) that: "If a Rule 9 applicant attaches to the Project, pursuant to Rule 9, Section A.16, Applicant shall be entitled to a Proportionate Share Refund." (Reno Power legal brief at 3.)

13. Reno Power contends that Rule 9.A.16.d operates as a coherent whole: subsection d.1 establishes when Proportionate Share Allocations apply to subsequent Applicant's outside-

MPC usage, and subsection d.2 clarifies which cost components are included in that allocation to prevent double counting of the MPC-related substation or HVD Total Costs. (*Id.* at 6.)

14. Reno Power contends that Rule 9.C and Rule 9.A.16 operate in tandem, as Rule 9.C governs how MPC-related costs, expressly allocated based on MPC-specific load, are refunded over time based on MPC load growth, while Rule 9.A.16 governs how costs are allocated up-front when a subsequent applicant uses the MPC facilities to serve non-MPC load, and that the proration required by Rule 9.C.4.b.3 operates through the Proportionate Share mechanism. (*Id.*)

15. Reno Power contends that Rule 9.A.28 expressly affords the Commission discretion where the "application or interpretation" of Rule 9 is "impractical, inequitable, or otherwise inappropriate;" and contends that the issue here, the application of Rule 9 to a large-scale, transmission-level MPC facility serving both MPC and non MPC load is undisputedly novel, and warrants the Commission's exercise of that discretion to ensure an equitable outcome. (*Id.* at 12-13.)

16. Reno Power contends that the equities are particularly compelling here, as the form of the Rule 9 Agreements was selected by NV Energy, and the agreements provide that Reno Power is entitled to a proportionate share refund for subsequent applicant interconnections; and it is neither equitable nor consistent with Rule 9's design to permit subsequent users to access that infrastructure while denying the pioneer developer a pro rata, proportionate share refund, which would not burden ratepayers as the full costs of Gosling would be borne solely by Reno Power and the Subsequent Gosling Applicant. (*Id.* at 13.)

Switch's Position

17. Switch contends that Reno Power's request asks the Commission to (i) ignore that it was the cost causer of Gosling as the first entity to request service and necessitate its construction and (ii) adopt a skewed interpretation of Rule 9, under which the reimbursement for its costs for the Gosling facility shift from being subject to refund over time pursuant to Rule 9.C.6 to being paid within 60 days of interconnection under Rule 9.A.16 whenever a new non-MPC applicant interconnects to Reno Power's MPC substation, and that Reno Power's actual goal is to shift its cost and development risk, that it knowingly accepted, to any subsequent non-MPC applicant interconnecting to the Gosling substation. (Switch responsive legal brief at 2.)

18. Switch contends that Reno Power is a sophisticated party, represented by energy regulatory counsel familiar with Rule 9, that negotiated, signed, and entered into its Rule 9 Agreement voluntarily and with full knowledge of the plain language of Rule 9, which is clear that Reno Power does not receive a proportionate cost share allocation under 9.A.16 because it is facially inapplicable. (*Id.* at 2-3.)

19. Switch contends that if the Commission were to grant Reno Power's expanded relief, it would result in a de facto and retroactive revision to Rule 9 Agreements to which Reno Power is not a party to, which would upset fundamental principles of contract law, frustrate public trust in contracts, and constitute ad hoc rulemaking. (*Id.* at 3.)

20. Switch contends that Reno Power's last-ditch effort to cure the obvious deficiencies in its Petition by asking the Commission to exercise "discretion" to interpret Rule 9 against its plain language is unavailing, as the Petition is neither limited to the presentation of a "dispute" under Rule 9 between Reno Power and NV Energy, nor were the appropriate conditions satisfied to raise it as such; and if Reno Power wanted to deviate from the plain

language of Rule 9, it could have presented the Commission with such a request before or at the time it executed its Rule 9 agreement. (*Id.*)

21. Switch contends that when making a ruling interpreting the applicability of Rule 9 to a specific set of facts, the Commission is limited to (1) interpreting the plain meaning of Rule 9 and (2) applying that to the facts before it. (*Id.* at 4; *citing State Farm Mut. Auto Ins. Co. v. Comm'r*, 114 Nev. 535, 543 (Nev. 1998).)

22. Switch contends that when administrative agency action exceeds this scope and instead articulates a rule of policy or general application, courts have not hesitated to intervene and invalidate those actions. (*Id.* at 5; *citing State Farm Mut. Auto Ins. Co.*, 114 Nev. 535 at 544; *Pub. Serv. Comm'n v. Southwest Gas Corp.*, 99 Nev. 268, 273 (Nev. 1983).)

23. Switch contends that the question of how to interpret a legal text begins with the plain language, and that the Commission should not look beyond the plain language where there is no ambiguity, and that as to cost reimbursement for MPCs, the language of Rule 9 is unambiguous. (*Id.*; *citing State Local Gov't Employee-Management Rels. Bd. v. Educ. Support Emples. Ass'n,* 134 Nev. 716, 718 (2018).)

24. Switch contends that Rule 9.A.16.d.1 is applicable only where a portion of the MPC applicant's line extension is located outside of the MPC, and no portion of Reno Power's line extension is located outside of the MPC, hence Reno Power has no eligibility or entitlement to a Proportionate Share Allocation under Rule 9.A.16(d)(1). (*Id.* at 6.)

25. Switch contends that Rule 9.A.16.d.2 explicitly states that Proportionate Share Allocations are not available for MPC HVD facility costs, and that, therefore, under the plain language of either provision of Rule 9.A.16.d to which Reno Power knowingly agreed, the outcome is the same: Reno Power is not eligible for a Proportionate Share Allocation. (*Id.*)

26. Switch contends that Rule 9.C.6.a is the applicable refund mechanism to calculate how much and when Reno Power is reimbursed for its advance for the Gosling HVD facility costs. (*Id.*)

27. Switch contends that Reno Power argues that the proration mechanism to effectuate Rule 9.C is the Proportionate Share Allocation; however, Rule 9.C.4.b.3 determines what costs are advanced, not how those advances are refunded, and is facially inapplicable to Reno Power's Rule 9 Agreement because there was no other subsequent applicant at the time that Reno Power signed its Rule 9 Agreement; thus, Reno Power advanced 100% of the Total Costs, just as the rule contemplates. (*Id.* at 7.)

28. Switch contends that nothing in NAC 703.825 permits the Commission to declare the Subsequent Gosling Applicant's rights and responsibilities under Rule 9 or its Rule 9 agreements, yet Reno Power has repeatedly asked the Commission to directly determine Subsequent Gosling Applicant's rights and obligations under Rule 9 in its testimony and briefing, asking the Commission to recognize its entitlement to a proportionate share at the cost of Subsequent Gosling Applicant. (*Id.* at 10-11.)

29. Switch contends that Rule 9's dispute provisions are available to parties disputing the meaning of the rule and related Rule 9 agreements between them (NV Energy and the contracting customer); they are not available where the request focuses on the purported responsibilities of other parties and it would be improper to set such a precedent given that Reno Power only seeks this deviation after other third parties have relied upon the clear language of Rule 9; and to retroactively apply a deviation to those agreements would deprive those parties of their bargained for agreements, would therefore upset well settled expectations of NV Energy, the Subsequent Gosling Applicant, and parties not participating in this proceeding. (*Id.* at 13-14.)

30. Switch contends that Reno Power is asking the Commission to modify Rule 9 to fit its business model and to allow it to shift a portion of its development risk and costs to the Subsequent Gosling Applicant, the result of which would be that the financing scheme under Rule 9 for MPC substation and HVD facilities would have to be divided among multiple parties and constantly reworked over time as subsequent applicants interconnect, serving to upset the well-settled expectations of traditional residential master plan developers, including those that have already executed Rule 9 agreements, subsequent connecting customers, and NV Energy, as well as impact parties who are not before the Commission. (*Id.* at 15.)

Sierra's Position

31. Sierra states that the SHVD Agreement sets out the Total Costs and Advance amount for Gosling, as defined in Rule 9, and that Section 12.2 of the SHVD Agreement explicitly references Rule 9, Section C.6, as the mechanism by which Sierra will refund the Advance to Reno Power. (Exhibit 5 at 5.)

32. Sierra states that three provisions of Rule 9 govern proportionate share and refunding: 1) Section C.1 – Applicability states that Part C applies to Line Extensions, as defined in Rule 1, constructed for the purpose of providing electric service to Master Planned Communities, as defined in Rule 9, and Gosling, as a switching station installed to serve the Peru Shelf MPC, falls under Part C for the purposes of the MPC developer's cost responsibility and refunding rights; 2) Section C.6 - Master Planned Community Refunding of Advances states that refunds for MPC substations and MPC high-voltage distribution facilities ("HVD" as defined in Rule 9) "shall be computed based on the load experienced by the substation or HVD," as load (whether from MPC or non-MPC customers) materializes at the MPC substation or MPC HVD, the MPC developer's Advance is refunded annually according to the formula defined in Rule 9

and referenced in the SHVD Agreement; and 3) Section A.16 – Proportionate Share Allocation states that when subsequent applicants directly connect to facilities funded by a previous applicant, the subsequent applicant pays a Proportionate Share Allocation, as defined in Rule 9; however, A.16.d.2 specifies that "Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs." (*Id.* at 5-6.)

33. Sierra states that taken together, Rule 9.A.16 and Rule 9.C.6 define a distinct MPC treatment: MPC substation and MPC HVD costs are not subject to proportionate share and are instead refunded over time based on the load experienced at the MPC substation or MPC HVD. (*Id.* at 6.)

34. Sierra states that under the plain language of Rule 9, Section A.16.d.2, MPC substation and MPC HVD Total Costs are explicitly excluded from Proportionate Share Allocations, and Gosling is an MPC switching station; therefore, whether a subsequent applicant is inside or outside the MPC, Gosling's MPC HVD costs cannot be included in a Proportionate Share Allocation. (*Id.*)

35. Sierra states that it is required to apply Rule 9 as written, and that Rule 9 Sections A.16.d.2 and C.6 together establish a specific MPC framework for Total Costs and associated refunding whereby Reno Power, as the MPC developer, has the benefit of receiving refunds based on the total load experienced by Gosling, including any load external to the MPC; thus, the subsequent applicant's load connecting at Gosling accelerates refunding of Reno Power's Advance despite Reno Power not having paid for the full build-out of Gosling. (*Id.* at 7-8.)

36. Sierra states that Reno Power's project itself benefits from system facilities that Reno Power did not fund (specifically the West Tracy to Comstock Meadows 345 kV line and the Greenlink Common Tie #1), and that the tariff structure recognizes that large projects often

interact with broader system upgrades and prior "pioneer" investments and Rule 9 balances these considerations across projects over time. (*Id.* at 8.)

37. Sierra states that it does not dispute that Reno Power received a communication indicating a position inconsistent with the plain reading of Rule 9, Section A.16.d.2, as Sierra has previously acknowledged in comments; however, the communication occurred months after the MPC and SHVD Agreements were executed and cost commitments were made, and in fact, after Reno Power had made payments under the SHVD Agreement, and as such, Reno Power could not have relied on that communication to undertake its commitments under the agreements or develop the project scope and schedule. (*Id.* at 9.)

38. Sierra contends that Reno Power misinterprets Rule 9.A.16.d.1. as the "Line Extension" referenced in Rule 9. A.16.d.1 is the MPC's line extension to which a subsequent applicant seeks to connect, not the subsequent applicant's line extension therefrom, and that the subsection states that, subject to Rule 9.A.16.d.2, where some portion of the MPC's line extension extends outside the MPC, a subsequent applicant will be assessed a Proportionate Share Allocation for that portion of the MPC's line extension. (Sierra's responsive legal brief at 3.)

39. Sierra contends that Rule 9. A.16.d.2 only precludes a Proportionate Share Allocation for "MPC substation or MPC HVD" costs, not for all MPC line extension costs, and that Rule 9.A.16.d.1 assesses to a subsequent applicant a Proportionate Share Allocation of an MPC applicant's line extension located outside the MPC, and Rule 9.A.16.d.2 clarifies that the Proportionate Share Allocation excludes MPC substation and MPC HVD costs. (*Id.*)

40. Sierra contends that Rule 9.C.4.b.3 prorates an MPC applicant's advance of Total Costs where its substation or HVD will also serve customers outside the MPC, operating prior to

or at the time the MPC's SHVD is signed, allowing for the proration of their advance, and that the rule is clear that this proration occurs prior to the MPC applicant's payment of the advance, as, in the present dispute, the possibility of Subsequent Gosling Applicant interconnecting at Gosling was not known to either Reno Power or Sierra during the negotiation or signing of the SHVD, when Reno Power's advance was calculated, agreed upon, and began to be paid, and as Reno Power's advance was not prorated then, Rule 9.C.4.b.3 does not retroactively prorate it now via any mechanism as the rule operates independently and by its own terms, not indefinitely via proportionate share. (*Id.* at 4.)

41. Sierra contends that Reno Power correctly states that Subsequent Gosling Applicant's line extension does not serve an MPC and that, consequently, Rule 9.C does not govern Subsequent Gosling Applicant's interconnection, but that the refund mechanism to which Reno Power is entitled does not impose any obligation on Subsequent Gosling Applicant; Rule 9.C.6, which provides Reno Power's refund, obligates only Sierra to correctly calculate and pay Reno Power's refund based on the load experienced at Gosling, whether the origin of that load is governed by Rule 9.C is irrelevant. (*Id.* at 5.)

42. Sierra contends that Rule 9.C.6 will provide refunds to Reno Power based on the load experienced at Gosling regardless of source, meaning that Subsequent Gosling Applicant's load can only accelerate the payment of Reno Power's refund, and the refund calculation in Rule 9.C.6 does not "depend" on Subsequent Gosling Applicant's load materializing as, if Subsequent Gosling Applicant's load never materializes, Reno Power will still be refunded based on intra-MPC load at Gosling. (*Id.* at 5-6.)

Staff's Position

43. Staff states that the Commission approved the construction of the Gosling switching station in NV Energy's 2025 Integrated Resource Plan, Docket No. 24-05041, and the Gosling switching station will operate at 345 kV and has been designed with eight terminal positions: two of the terminals will be used by NV Energy to fold in the 345 kV line that runs between the West Tracy and Comstock Meadows substations, serving the switching station with energy; four will serve phase 1 of the Peru Shelf MPC; and the remaining two were designed to be expandable to serve future customers' load, should any arise. (Exhibit 7 at 2.) Staff states that, based on Switch's application for a UEPA permit to connect to Gosling in Docket No. 25-05001, Switch appears to be the subsequent applicant referred to in the Petition. (*Id.* at 1-2.)

44. Staff states that, at the completion of construction per NV Energy's design, the two terminals reserved for future customers would not have the ability to supply power, and that for those two terminals to be able to serve load, NV Energy or the subsequent applicant will have to purchase and install three 345-kV breakers along with associated equipment and labor. (*Id.* at 2-3.)

45. Staff states that the cost of capacity for Gosling to serve future customers was not borne by Reno Power, as evidenced by confidential Exhibit B-1 to the SHVD Agreement, which sets out the estimated costs of Gosling and describes the facilities costs as being for two terminals for the 345kV line fold, two terminals to serve the Peru Shelf MPC's needs, and two terminals that are for redundancy for the Peru Shelf MPC, for a total of six terminals, while there is no mention of, or costs listed for, the two terminals that could serve potential future customers. (*Id.* at 4-5.)

46. Staff states that Rule 9 Section A.16 provides for how to calculate a Proportionate Share Allocation for all electric line extensions but includes provisions addressing the types of

costs that can be included in that calculation, and that once the first part of Section A.16.d is met, the subsequent sections appear to discuss the limitations on the calculation of Proportionate Share Allocations, and that Section A.16.d.1 does not apply here because the line extension built by the pioneer Applicant is located entirely inside the MPC; however, Section A.16.d.2 does appear to apply and includes language stating that "MPC substation or MPC HVD Total Costs" are excluded from Proportionate Share Allocations. (*Id.* at 6.)

47. Staff states that Rule 9, Section A.16.d.2, is the appropriate section to determine whether a Proportionate Share Allocation is owed in this case and that section clearly states that "Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs." (*Id.* at 7-8.)

48. Staff contends that pursuant to NAC 703.825, any interested person may petition the Commission for a declaratory order or an advisory opinion as to the applicability of any statutory provision or any regulation or decision of the Commission, which authority extends to public utility tariff rules because they are prima facie lawful and have the force and effect of law once approved by the Commission; and that declaratory orders that resolve petitions filed with an agency shall have the same status as agency decisions. (Staff responsive legal brief at 4; *citing* NRS 704.130 and NRS 233B.120.)

49. Staff contends that the Commission has the authority to interpret those provisions of Rule 9 that apply to the facts presented in the Petition to resolve a disagreement between Sierra and Reno Power, which should be accomplished through a declaratory order. (*Id.* at 5.)

50. Staff contends that any Proportionate Share Allocation that could be owed by a subsequent applicant connecting to any electric facilities that were installed by Reno Power as part of the Peru Shelf MPC line extension must not include any "MPCC substation or MPC HVD

Total Costs;" and though the Gosling Switching Station is not a substation, it falls squarely within the category of "HVD" under the Rule. (*Id.* at 7.) Staff contends that accordingly, the "HVD Total Costs" are explicitly excluded from any Proportionate Share Allocation that could be assigned to the subsequent applicant for Reno Power's line extension. (*Id.*)

51. Staff contends that tariff rules should not be interpreted as a series of unrelated and isolated provisions, but that they must be read in harmony, as a whole, and within the appropriate contextual framework, and when properly construed, Part A and Part C of Rule 9 address different stages and purposes of cost responsibility and operate in harmony with each other. (*Id.* at 8; *citing Gustafson v. Alloyd Co.*, 513 U.S. 561, 570 (1995); *F.T.C. v. Mandel Bros., Inc.*, 359 U.S. 385, 389 (1959); and *Dezzani v. Kern & Assocs., Ltd.*, 134 Nev. 61, 65, 412 P.3d 56, 59-60 (2018).)

52. Staff contends that Part C assigns upfront cost responsibility to the MPC developer when a substation or HVD facility is principally required for that development, while Part A then clarifies that, because those costs are not part of the Proportionate Share Allocation, they cannot later be redistributed to subsequent applicants who interconnect with that facility; thus, rather than conflicting, Part A and Part C operate in sequence and in tandem, first allocating responsibility to the MPC developer, and then preventing improper cost-shifting to subsequent applicants. (*Id.* at 10.)

53. Staff contends that Reno Power is still entitled to a refund for the advance paid for the Gosling HVD facility pursuant to Rule 9.C.6, and that refunds that will be paid to Reno Power will be computed based on the load that is experienced by the HVD facility; thus, any load experienced by both Reno Power and Switch at the Gosling HVD facility will be used to calculate the refund of the MPC advance that will be owed to Reno Power; moreover, because no

proportionate share allocation was assigned to or paid by Switch, the HVD facility refunds paid to Reno Power will not be reduced by any proportionate share refunds. (*Id* at 12.)

54. Staff contends that an interpretation of Rule 9 that finds that Reno Power is not entitled to a proportionate share refund is consistent with the traditional ratemaking principle that cost causers pay for the utility infrastructure built to serve them, as Part C implements this principle at the outset because the Gosling HVD facility was required principally to serve the Peru Shelf MPC project, so Reno Power was required to bear the full cost because its project is the reason the infrastructure needed to be built; while Part A reinforces the same principle later in the process because the Gosling HVD facility is not included in the proportionate share calculation, Switch as the subsequent applicant will not be charged for those costs when it interconnects with Gosling. (*Id.*)

55. Staff contends that pursuant to the filed rate doctrine, tariffs have the force and effect of law and a utility cannot deviate from those tariffs without first obtaining Commission approval. (*Id.* at 13; *citing Brown v. MCI WorldCom Network Servs., Inc.*, 277 F.3d 1166, 1170 (9th Cir. 2002); *AT&T Corp. v. City of New York*, 83 F.3d 549, 552 (2d Cir. 1996).)

56. Staff contends that this means that the terms of the filed tariff are considered "the law" and "conclusively and exclusively enumerate the rights and liabilities" of the contracting parties, and that if a utility contracts in a manner different from that of the filed tariff, the contract is unenforceable. (*Id.*; *citing California ex rel. Lockyer v. Dynegy, Inc* 375 F.3d 831, 853 (9th Cir. 2004); *Evanns v. AT&T Corp.*, 229 F.3d 837, 840 (9th Cir. 2000); *AT&T Corp. v. Cent. Office Tel., Inc.*, 524 U.S. 214 (1998).)

57. Staff contends that, although Reno Power argues that its Rule 9 Agreement (Section 12.3) with Sierra states that when a Rule 9 applicant attaches to its MPC line extension,

it is entitled to a proportionate share refund pursuant to Rule 9.A.16, to the extent that the Rule 9 Agreement between Reno Power and Sierra Pacific conflicts with the plain language of Rule 9 and states that Reno Power is entitled to a proportionate share allocation pursuant to Rule 9.A.16, the agreement could be deemed unenforceable. (*Id.* at 13-14.)

58. Staff contends that the Commission should deny Reno Power's alternative request that the Commission exercise its authority pursuant to Rule 9.A.28 to find that the application or interpretation of Rule 9 that Reno Power is not entitled to a proportionate share refund is "impractical, inequitable, or otherwise inappropriate." (*Id.* at 14.)

59. Staff contends that Reno Power's fairness or equity argument does not concern whether it will recover the funds it advanced for the HVD facility, but centers on when that recovery will occur, and that Reno Power is in a better position than it would be if no subsequent applicant were to connect to Gosling, as Reno Power would still be responsible for its up-front total cost responsibility pursuant to Rule 9.C.4, and the refunds that it would be entitled to receive pursuant to Part C.6 would be limited to Reno Power's MPC load at Gosling, all of which potential outcomes Reno Power should have known when it signed its Rule 9 Agreements with NV Energy. (*Id.* at 14-15.)

60. Staff contends that a Commission order authorizing a deviation from Rule 9 to enable Reno Power to receive a proportionate share refund would be inappropriate and inequitable because it would have a detrimental effect on the subsequent applicant, who would be forced to pay a proportionate allocation that typically is not required to be paid under a strict application of the Rule, and creates an additional financial burden and risk that was not contemplated when it contracted with Sierra. (*Id.* at 15.)

Reno Power's Rebuttal Position

61. Reno Power states that tariffs like Rule 9 ensure parties bear their own costs and no customer inappropriately subsidizes another because as large electric infrastructure projects continue to increase, uniformity and practicality around such cost responsibility principles create a stable, predictable market in which parties may reasonably support the very large capital investments at stake for both Petitioner and Subsequent Gosling Applicant. (Exhibit 8 at 2.)

62. Reno Power states that permitting an entirely non-MPC user of such massive scale as the Subsequent Gosling Applicant to utilize Gosling, built for purposes of Reno Power's MPC, without requiring a Proportionate Share Allocation creates an impermissible subsidy and improperly shifts the financial burden of large-scale system expansion entirely onto pioneer investors and shifts the financial burden of large-scale expansion upon all subsequent pioneer developers, creating an incentive to "game" the queue for opportunities to minimize their financial commitments, potentially creating more noise and churn in queued load requests and exacerbating existing planning challenges. (*Id.* at 3.)

63. Reno Power states that if an MPC Applicant were to connect to facilities pioneered by a Rule 9 Section B (non-MPC) customer, the MPC Applicant would undoubtedly be required to pay a Proportionate Share Allocation to that pioneer under standard practice, and to deny the same recovery from a Rule 9 Section B customer interconnecting into an MPC-funded switching station treats MPC developers as a 'lesser' class of applicant and creates a one-way street for cost-shifting. (*Id.* at 4.)

64. Reno Power states that it and NV Energy have already acknowledged that the standard, rigid language of Rule 9 was not intended for a project of this unprecedented scale and required practical amendments, by departing from Rule 9's adopted refund threshold, as Rule 9.C.6.c provides a standard formula that triggers a full refund if an MPC reaches a load of 22

MW; however, recognizing that this was inappropriate for the Peru Shelf project (as Reno Power would have received a full refund one month into energization of the MPC which was not the Rule's intent), NV Energy and Reno Power mutually agreed in Section 12.2 of the SHVD Agreement to override that threshold, so NV Energy should not be permitted to now pivot to a plain-language reading of Section A.16.d.2 to deny a Proportionate Share Allocation after already discarding the plain language of Section C.6.c to protect themselves from excessive refund liability. (*Id.* at 5.)

65. Reno Power states that Rule 9.C.4.a.2(a) evaluates whether an HVD facility is principally required for an MPC based on whether 60 percent of the standard design minimum requirement HVD rated capacity is associated with the Applicant's Estimated Full-Build-Out Project Load at the time that the HVD construction is complete, but that the construction of Gosling switchyard is not complete, and the capacity to a future customer is assigned, and taken together, this means that NV Energy should perform the test upon Gosling completion in Q1 2027 taking into account the loads of all contracted customers. (*Id.* at 9-10.)

66. Reno Power states that NV Energy's reliance on "plain language" of Rule 9 is selective, given it already discarded the plain language of Rule 9.C.6.c (the 22 MW threshold) in favor of a negotiated limit, acknowledging that this project requires bespoke treatment. (*Id.* at 11-12.)

67. Reno Power states that Gosling will initially serve only two customers: Reno Power and the Subsequent Gosling Applicant, and because the Rule 9.C.6 formula is tied directly to demand, NV Energy cannot issue a refund to Reno Power based on the Subsequent Gosling Applicant's external load without effectively handing Reno Power a monthly report of Subsequent Gosling Applicant's confidential, commercially sensitive load data, while a

Proportionate Share Allocation is a one-time, upfront transaction that avoids this ongoing and otherwise unusual disclosure. (*Id.* at 12.)

68. Reno Power contends that Rule 9.A.16.d.2 "does not eliminate Proportionate Share Refunds for MPCs," as Rule 9.A.16.d.2 is a cost-components rule, not a blanket preclusion of MPCs' eligibility for Proportionate Share Refunds. (Reno Power reply legal brief at 1.)

69. Reno Power contends that Rule 9.A.16.d.2 refers to "MPC substation and MPC HVD Total Costs," and Total Costs must first be calculated using the formula in Rule 9.C.4.b.3, which mandates that: "Where the substation and/or HVD shall also serve Customers located outside the MPC boundary, the Total Costs shall be prorated by capacity allocated to Applicant and Applicant shall then only be required to advance the prorated portion allocated to Applicant." (*Id.* At 2.)

70. Reno Power contends that because Gosling will provide service to a customer located outside of the Peru Shelf MPC (i.e., Subsequent Gosling Applicant), Reo Power's Total Costs must be prorated to exclude the capacity allocated to Subsequent Gosling Applicant, i.e. the "Customer located outside the MPC boundary," and only then can Rule 9.A.16.d be applied; therefore, Rule 9.A.16.d.2 disallows only the MPC located Total Costs while the other portion of the Total Costs attributable to the outside-MPC capacity remains subject to a Proportionate Share Allocation. (*Id.* at 2-3.)

71. Reno Power contends that when Rule 9.C.4.b.3 is read first, the application of Rule 9.A.16.d then becomes clear: only MPC HVD Total Costs are excluded from Reno Power's Proportionate Share Refund calculation, and the text of Section 12.3(A) of the SHVD Agreement, which entitles Reno Power to the Proportionate Share Refund, simply acknowledges that sequence. (*Id.* at 3.)

72. Reno Power contends that Staff's and NV Energy's argument that Rule 9.C.4.b.3 applies only to upfront cost responsibility, not refund methodology, is incorrect, as proportionate share is the only "proration" mechanism within Rule 9, so there could be no other mechanism to which Rule 9.C.4.b.3 points; therefore, Rule 9.C.4.b.3 must direct the focus to Rule 9.A.16.d. (*Id.* at 4.)

73. Reno Power contends that it advanced 100% of Total Costs precisely because no subsequent applicant existed at that time, and now that a subsequent applicant exists, the proration framework of C.4.b.3 is triggered. (*Id.* at 5.)

74. Reno Power contends that Rule 9.C.4.b.3 applies whenever outside-MPC service materializes, not only at the moment of initial contracting, and that these future developments are exactly what the SHVD Agreement contemplates in Section 12.3(A), stating, "If a Rule 9 applicant attaches to the Project, pursuant to Rule 9, Section A.16, Applicant shall be entitled to a Proportionate Share Refund." (*Id.*)

75. Reno Power contends that Nevada law looks first to the text of Rule 9, not extra-record suppositions about how NV Energy should contract with customers. (*Id.* at 6; *citing Macias v. State*, 130 Nev. 1212 (2014) ("Because the words of a governing text are of paramount concern, this court will not look beyond the express language unless it is clear that the plain meaning was not intended.") (cleaned up) (quoting Antonin Scalia & Bryan A. Garner, Reading Law: The Interpretation of Legal Texts 56 (2012).)

76. Reno Power contends that NV Energy and Staff stop reading at Rule 9.A.16.d without continuing to Rule 9.C.4.b.3 or Rule 9.C.1, which reading violates the basic tenants of textual interpretation. (*Id.*; *citing Parsons v. Colts Mfg. Co. LLC*, 137 Nev. 698, 703, 499 P.3d 602, 606 (2021) ("The 'whole-text' canon requires that, in construing a statute, [t]he text must be

construed as a whole.") (quoting Antonin Scalia & Bryan A. Garner, Reading Law: The Interpretation of Legal Texts 167 (2012).)

77. Reno Power contends that Rule 9.C.4.b.3 merely provides the roadmap to Proportionate Share Refunds by identifying when Total Costs must be prorated; namely, when MPC facilities will serve outside-MPC Customers. Rule 9.A.16 does the rest. (*Id.* at 8.)

78. Reno Power contends that Subsequent Gosling Applicant's procedural complaints are without merit as Reno Power is solely seeking an adjudication of its own contractual rights, vis a vis Rule 9, whereas, Subsequent Gosling Applicant has its own contracts with NV Energy, none of which were the subject of these proceedings (much less Reno Power's Petition); as such, the Commission's decision regarding the application of Rule 9 to Reno Power's SHVD Agreement binds Reno Power and NV Energy, so the Commission can comfortably disregard each of Subsequent Gosling Applicant's procedural arguments and reach the merits of Reno Power's Petition.. (*Id.* at 9-11.)

79. Reno Power contends that the filed rate doctrine does not defeat its claim because there is no tension between Rule 9 and Section 12.3(A) of the SHVD Agreement, which merely implements Rule 9; and, conversely, that to the extent the Subsequent Gosling Applicant's own Rule 9 agreement purports to relieve it of a Proportionate Share Allocation imposed by the tariff, that agreement was unenforceable when signed. (*Id.* at 8, 12.)

80. Reno Power contends that "A tariff is not an abstraction. [T]o decide the question of the scope of [a] tariff without consideration of the factors and purposes underlying the terminology employed would make the process of adjudication little more than an exercise in semantics." (*Id.* at 13; *citing United States v. W. Pac. R. Co.*, 352 U.S. 59, 66-67, 77 S. Ct. 161, 166-67, 1 L. Ed. 2d 126 (1956)

81. Reno Power contends that cost-causation requires that each beneficiary of new infrastructure bears its proportionate share of the costs of that infrastructure, and Subsequent Gosling Applicant is not connecting to an energized facility; it is connecting to an incipient piece of high value infrastructure in the northern Nevada region whose construction Reno Power has facilitated and funded. (*Id.* at 13.)

82. Reno Power contends that refunds via Rule 9.C.6 will necessarily reveal Subsequent Gosling Applicant's confidential load information to Reno Power, an issue for which NV Energy has proposed no reasonable solution and denying a Proportionate Share Allocation in favor of recovery via Rule 9.C.6 annual refunds means extending the time period for which Reno Power is able to monitor Subsequent Gosling Applicant's electricity usage, an anathema to NAC 703.5274. (*Id.* at 14.)

83. Reno Power contends that in the event the Commission disagrees with Reno Power's reading of Rule 9, the Commission nevertheless has the discretion to order appropriate relief that preserves Reno Power's contractual entitlement to a Proportionate Share Refund pursuant to Rule 9.A.28. (*Id.* at 14-15.)

Commission Discussion and Findings

84. NAC 703.825(1) provides that "[a]ny interested person may petition the Commission for a declaratory order or an advisory opinion as to the applicability of any statutory provision or any regulation or decision of the Commission." NAC 703.825(2) provides that "[h]earings will be held by the Commission, if needed, to obtain information necessary or useful in formulating a declaratory order or advisory opinion."

85. The Commission finds that the Petition presents an actual dispute between Reno Power and Sierra concerning the application of Rule 9 to their executed Rule 9 Agreements, and

that the dispute is appropriately resolved by declaratory order. (Staff responsive legal brief at 4-5.) The Commission's determinations herein are confined to the facts presented in the Petition and to the rights and obligations of Reno Power and Sierra under Rule 9 and the Rule 9 Agreements. The Commission does not in this Order determine the rights or obligations of the Subsequent Gosling Applicant under its own Rule 9 agreement with Sierra, which is not in the record. Reno Power itself represented at the hearing that the Petition seeks only an interpretation of Rule 9 as applied to its own agreements with Sierra and does not concern the Subsequent Gosling Applicant's contracts. (Tr. at 1 11-15.)

86. Reno Power and Sierra, both legally sophisticated businesses, executed the Rule 9 Agreements, which by their very nature were governed by and pursuant to the tariff. Tariffs have the force and effect of law. As both parties to the Rule 9 Agreements at issue in the present docket were legally sophisticated businesses, the Commission presumes they both read and understood the tariffs at issue before signing the agreements, and they further understood and agreed that the language of the tariffs controlled. Reno Power's witness confirmed that he reviewed the entire SHVD Agreement and participated in its negotiation, and that Reno Power willingly executed the SHVD Agreement and "took service under a Rule 9 Part C agreement." (Tr. at 106, 110-11, 117.) Reno Power also knew when it executed the SHVD Agreement that the two spare terminals at Gosling were not dedicated to its MPC and that Section 2.4(B) of the agreement gives Sierra the right to use the facilities to serve any customer. (Tr. at 122-23.)[1]

[1] If the parties to a Rule 9 agreement want a provision that is inconsistent with the language of the tariff, such a deviation from the tariff rules can be brought to the Commission, prospectively, for approval, pursuant to Rule 9.A.28.b.1. However, such an approval of deviation from the tariff must be made prospectively, and no request to do so was made regarding the Rule 9 Agreements at issue in the present docket.

87. When interpreting and applying tariff language, the Commission applies the same principles that a court applies when interpreting and applying statutory language. The framework of statutory interpretation therefore governs the present controversy.

88. The Nevada Supreme Court has said, that when interpreting a statute, the objective "is to give effect to the Legislature's intent." (*Hobbs v. State*, 127 Nev. 234, 237, 251 P.3d 177, 179 (2011).) To determine legislative intent, we first look to the statute's plain language. (*Id.*) "[W]e interpret clear and unambiguous statutory language by its plain meaning unless doing so would lead to an unreasonable or absurd result." (*Moore v. State*, 136 Nev. 620, 622-23, 475 P.3d 33, 36 (2020); *see also McCord v. State*, 139 Nev. 598, 601, 540 P.3d 433, 437 (2023).)

89. Therefore, the Commission looks to the plain text of Sierra's Rule 9.A.16.d, which governs Proportionate Share Allocation for MPC Rule 9 facilities. Rule 9.A.16.d states:

> MPC. Where such portions of a Line Extension directly connects to the electric facilities installed pursuant to a Rule 9 Agreement between a MPC and Utility, then
>
> 1. Where a Line Extension is located partially in a MPC and the remainder of the Line Extension is located outside the MPC, a subsequent Applicant shall pay Proportionate Share Allocations only for the portions of the Line Extension located outside the MPC; and
>
> 2. Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs.

90. Gosling, and the entirety of Reno Power's Line Extension, is located within the MPC. (Exhibit 7 at 2, 7.) The "Line Extension" referenced in Rule 9.A.16.d.1 is the MPC applicant's Line Extension to which a subsequent applicant connects, not the subsequent applicant's own Line Extension; a Proportionate Share Allocation compensates a prior applicant for facilities that it funded and that a subsequent applicant uses, and a subsequent applicant

cannot be assessed a Proportionate Share Allocation for facilities it funds itself. (See Exhibit 7 at 7; Sierra's responsive legal brief at 3; Staff responsive legal brief at 6-7.) While the Subsequent Gosling Applicant's line extension may extend beyond the MPC boundary, no portion of the facilities for which Reno Power paid and to which a Proportionate Share Allocation could apply is located outside the MPC. Rule 9.A.16.d.1 therefore affords Reno Power no Proportionate Share Allocation from the Subsequent Gosling Applicant.

91. Additionally, all of the costs for Gosling put forward by Reno Power, and for which Reno Power is requesting proportionate share refunds, consist of MPC HVD Total Costs. Gosling is a switching station and, although not a substation, constitutes MPC HVD as that term is used in Rule 9; Reno Power does not dispute that Gosling is an HVD facility. (Exhibit 5 at 6; Exhibit 7 at 3; Exhibit 8 at 9.) As such, Rule 9.A.16.d.2 does not afford Reno Power any Proportionate Share Allocation from the Subsequent Gosling Applicant.

92. Reno Power's claim that the arrival of the Subsequent Gosling Applicant retroactively changes the HVD Total Costs under operation of Rule 9.C.4.b.3 is also not supported by the plain text of the rule. Rule 9.C.4.b.3 states:

> 3. Where the substation and/or HVD shall also serve Customers located outside the MPC boundary, the Total Costs shall be prorated by capacity allocated to Applicant and Applicant shall then only be required to advance the prorated portion allocated to Applicant.

93. The Commission finds that the plain text of Rule 9.C.4.b.3 is prospective in nature and that the rule applies when a substation and/or HVD is conceived of, designed, and built for multiple applicants, some inside the MPC and some outside the MPC, allowing for the proration and allocation to occur prior to the payment of the advance, giving meaning to the words "shall then only be required to advance." Rule 9.C.5.a likewise requires the MPC applicant to submit its Advance, "equal to Utility's entire estimated Total Cost," before

construction commences. (Exhibit 1 at Reno Power NR I LLC 0213.) Consistent with that text, Sierra applies the proration in Rule 9.C.4.b.3 when service to customers outside the MPC is known at the time the agreement is drafted, and Sierra did not know of any subsequent applicant when the SHVD Agreement was negotiated and executed. (Tr. at 51, 56, 61-62.) Reno Power concedes that the payment schedule in Exhibit B-2 to the SHVD Agreement contains no proportionate-share reduction and that it intended to pay the full amount shown there. (Tr. at 121-22.) The rule does not require re-allocation, re-calculation, or refunding of the Total Costs when a subsequent non-MPC applicant appears after the advance has been made. Moreover, Rule 9.C.4.b.3 addresses only the amount an MPC applicant must advance; the only refund mechanism in Rule 9, Part C, is Rule 9.C.6, and Proportionate Share Allocations, by the express terms of Rule 9.A.16.d.2, exclude MPC HVD Total Costs. Reading Rule 9.C.4.b.3 to route MPC HVD Total Costs back through Rule 9.A.16 would nullify Rule 9.A.16.d.2, contrary to the whole-text reading that Reno Power itself urges.

94. The Commission, therefore, finds that Reno Power is not entitled to proportionate-share refunds of the costs of Gosling that it advanced to Sierra pursuant to the Rule 9 Agreements.

95. Reno Power is eligible for the normal refunding of advances outlined in Rule 9.C.6.c.[2] (Exhibit 5 at 7; Sierra's responsive legal brief at 5-6; Staff responsive legal brief at 12.) That reading is confirmed by the structure of Rule 9.C.6 itself. Rule 9.C.6.d.1 expressly limits refunds for distribution feeders to "subsequent Line Extensions that are located within the MPC,"

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[2] Reno Power indicates that it and Sierra, in Section 12.2 of its SHVD agreement, agreed to a modification of the Rule 9.C.6.c standard. That question is not squarely before the Commission at this time, and the Commission has not received testimony or legal briefing regarding such a deviation form the text of the rule, so the Commission will not, herein, render an opinion on the enforceability of such a provision. However, both Reno Power and Sierra are, again, reminded, that any deviations from Rule 9 must be approved prospectively, pursuant to Rule 9.A.28.b.

while Rule 9.C.6.a, which governs substation and HVD refunds, contains no such limitation and directs that those refunds "be computed based on the load experienced by the substation or HVD." (Exhibit 1 at Reno Power NR I LLC 0214.) Had the drafters intended to confine substation and HVD refunds to MPC load, they knew how to say so.

96. The Commission also declines Reno Power's alternative request, pursuant to Rule 9.A.28.a.3, that the Commission find the application of Rule 9 here "impractical, inequitable, or otherwise inappropriate" and grant relief from the rule's plain terms. The Commission is applying the plain text of the rule, and, as a sophisticated business customer, Reno Power cannot claim surprise at a plain-text interpretation of the rule. Reno Power's equity argument concerns the timing, not the fact, of its recovery: Reno Power remains entitled to refunds under Rule 9.C.6, which the Subsequent Gosling Applicant's load can only accelerate, and Reno Power is thus in a better position than it would be had no subsequent applicant sought to connect to Gosling. (Staff responsive legal brief at 14-15; Sierra's responsive legal brief at 5-6.) The Total Costs subject to refund are the same under either mechanism; only the timing of recovery differs. (Tr. at 66.) Staff's witness candidly acknowledged that Proportionate Share reflects a form of financial fairness that Rule 9 does not extend to HVD facilities inside an MPC. (Tr. at 85.) That is a policy choice embodied in the text of the rule, however, and the remedy for a party that finds it inequitable is a prospective request under Rule 9.A.28.b, not an after-the-fact reinterpretation. Conversely, the deviation Reno Power requests would impose on the Subsequent Gosling Applicant a payment obligation that Rule 9 does not require and that was not contemplated when it contracted with Sierra. (Staff responsive legal brief at 15.) Again, if Reno Power and Sierra wanted an enforceable deviation from Rule 9, they should have requested approval of such a deviation, prospectively, from the Commission, pursuant to Rule 9.A.28.b.

97. The Commission is also not convinced that the application of the plain text of Rule 9 would imperil the confidentiality of the load characteristics of the Subsequent Gosling Applicant. Under Rule 9.C.6, Sierra, not Reno Power, calculates the refund, and Sierra provides the MPC applicant only the total load experienced at the facility, not customer-specific load data. (Tr. at 36-39.) That Reno Power might infer another customer's load from aggregate data (Tr. at 127) is not a basis to depart from the text of the rule; nothing in Rule 9 conditions the refund mechanism on the number of customers served by a facility, and NAC 703.5274 governs the confidential treatment of information filed with the Commission, not a utility's administration of tariff refunds. Moreover, the Subsequent Gosling Applicant is also a sophisticated business entity with extensive experience interconnecting large loads to NV Energy's system, which has evaluated, negotiated, and entered into Rule 9 agreements in the past. (Exhibit 3 at 13; Exhibit 7 at 2.) As such, it is aware of the mechanisms for refunding advances pursuant to Rule 9.C.6 and, when it submitted its application to interconnect at Gosling, knew that such a disclosure was probable and elected to proceed nonetheless.

98. The parties are correct that the MPC framework, though closest in form to the construction of data center campuses, was originally crafted for residential master-planned communities and is not an exact fit for data center campuses. While that fact is not an excuse to abrogate the rule entirely, the Commission agrees that some modification to Rule 9 could eliminate some of issues faced in the present docket in the future. The Commission currently has open dockets to modify Rule 9 of NV Energy's tariffs, Docket Nos. 26-03009 and 26-03010. In fact, all parties to the present docket are parties to those Rule 9 dockets. NV Energy is, therefore, directed to discuss with the parties a data-center-campus MPC rule framework and

report back to the Commission, in Docket Nos. 26-03009 and 26-03010, the results of those discussions.

Therefore, it is ordered:

1. The Commission denies the Petition of Reno Power NR 1, LLC for an Advisory Opinion or Declaratory Order confirming the applicability of Sierra Pacific Power Company d/b/a NV Energy's Rule 9.A.16 to Proportionate Share Allocations for subsequent interconnections to a master-planned community line extension.

2. The Commission finds that the advance forwarded by Reno Power NR 1, LLC to Sierra Pacific Power Company d/b/a NV Energy for the engineering, design, materials, and construction of the Gosling 345-kilovolt Switching Station is not subject to Proportionate Share Allocation.

Directive:

3. Sierra Pacific Power Company d/b/a NV Energy is directed to discuss with the parties in Docket Nos. 26-03009 and 26-03010 a potential framework for modifications to Rule 9 to better fit data-center-campus master-planned communities and report the results of said discussions to the Commission in those dockets.

By the Commission,

____
HAYLEY WILLIAMSON, Chair

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TAMMY CORDOVA, Commissioner

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RANDY J. BROWN, Commissioner

Attest: ______________________________
TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

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(SEAL)