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# 25-09008

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

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| 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 |

**REPLY LEGAL BRIEF OF SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY**

Sierra Pacific Power Company d/b/a NV Energy ("Sierra") hereby files with the Public Utilities Commission of Nevada (the "Commission") briefing in response to Reno Power NR I, LLC's ("Petitioner's") post-hearing brief filed on April 10, 2026.

## I. Introduction

The language of Rule 9 is clear, unambiguous, and, in this case, dispositive. Rule 9.A.16.d.2 precludes any Proportionate Share Allocation[1] for substations and high voltage distribution ("HVD") facilities built for the purpose of serving a master-planned community ("MPC"). For such facilities, Rule 9.C.6 provides a refund based on the load experienced thereon, regardless of its origin. Petitioner's Gosling Switching Station ("Gosling") constitutes MPC HVD and, consequently, Petitioner is not entitled to a proportionate share refund (the payment of a Proportionate Share Allocation) for its costs. Petitioner is instead entitled to a load-based refund through Rule 9.C.6, which may be accelerated by the development of extra-MPC load. This outcome is logical, equitable and plainly dictated by Rule 9.

Sierra makes this filing to present an accurate representation of Rule 9 and its mechanisms as well as maintain a consistent, predictable and correct application of the tariff. Petitioner's arguments cannot change the plain reading of Rule 9 and rely on misinterpretations of Rule 9, Sections A.16.d, C.4.b.3, and C.1. The plain language application of Rule 9 renders an equitable result as Petitioner

[1] As defined in Rule 9.

will be refunded any applicable advance paid for the development of Gosling. But for the proper application of the tariff, Sierra has no material interest in the outcome of this matter and will not incur benefits or costs regardless of the Commission's ultimate decision.

## II. Petitioner's Arguments that It Is Entitled to a Proportionate Share Allocation Fail Under Proper Reading of Rule 9

Petitioner's arguments in its April 10, 2026, post-hearing brief regarding Rule 9, Sections A.16.d, C.4.b.3, and C.1, rely on misinterpretations of those provisions. Each such argument is addressed below and the applicable provisions of Rule 9 explained. Together, the proper understanding of these provisions reinforces the plain reading of the tariff advanced by Sierra and Regulatory Operations Staff of the Commission ("Staff").

### *a. Rule 9.A.16.d Is Clear that Petitioner Is Not Entitled to a Proportionate Share Refund*

Rule 9.A.16.d.2 states, "Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs." Gosling is a switching station built for the purpose of serving the Peru Shelf MPC and constitutes MPC HVD.[2] Consequently, Rule 9.A.16.d.2 categorically precludes a Proportionate Share Allocation for the facility.[3]

Petitioner erroneously asserts that Rule 9.A.16.d.1[4] "confirms that where a subsequent applicant's Line Extension extends outside the MPC, the subsequent applicant is assessed a Proportionate Share Allocation for the non-MPC portion."[5] Accordingly, Petitioner argues that the third party seeking to connect to Gosling ("Subsequent Gosling Applicant") is properly assessed a Proportionate Share Allocation for the portions of its connecting infrastructure located outside of the Peru Shelf MPC.[6]

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[2] Direct Testimony of Dennis Bartlett at Q&A 8.

[3] Section 12.3(A) of the parties' Substation and High Voltage Distribution Agreement (No. 23-00129) expressly states that Petitioner's entitlement to a Proportionate Share Allocation is "pursuant to Rule 9, Section A.16."

[4] "[W]here 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."

[5] Reno Power NR I, LLC's Post Hearing Brief at 5, April 10, 2026 (emphasis removed).

[6] *Id.* at 6, 8-9.

Petitioner misinterprets Rule 9.A.16.d.1. 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. This 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. Petitioner's interpretation would have Subsequent Gosling Applicant assessed a Proportionate Share Allocation for its own infrastructure.

Petitioner further asserts that a plain-language interpretation of Rule 9.A.16.d.2 would "render the other parts of Rule 9.A.16.d superfluous," and asks why Rule 9.A.16.d.1 would "refer to the location of line extensions vis a vis MPCs if subsection d.2 dictated that an MPC applicant could never recover a Proportionate Share Refund under any circumstances."[7] Petitioner is correct that Rule 9.A.16.d.2 "does not eliminate Proportionate Share Refunds for MPCs."[8] However, 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. 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. Together, the two provisions of Rule 9.A.16.d are clear that a Proportionate Share Allocation applies only to non-substation and non-HVD portions of the MPC's line extension that are outside of the MPC boundary. That the Peru Shelf MPC is made up entirely of HVD means that Petitioner is, indeed, categorically denied a Proportionate Share Allocation from the Subsequent Gosling Applicant but it does not mean that the plain language of Rule 9.A.16.d.2 conflicts with its sister provision.

Rule 9.A.16.d is clear and unambiguous. Here, Gosling is an MPC HVD, and Petitioner is not entitled to a Proportionate Share Allocation.

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[7] *Id.* at 11 (Sierra interprets Petitioner's reference to "Rule 9.A.16.d.1" on line 6 to refer to Rule 9.A.16.d.2.).
[8] *Id.* at 6.

*b.* *Rule 9.C.4.b.3 Is Not a Refund Mechanism*

Rule 9.C.4.b.3 prorates an MPC applicant's advance of Total Costs[9] where its substation or HVD will also serve customers outside the MPC. This rule operates prior to or at the time the MPC's SHVD is signed, allowing for the proration of their advance. This section does not mention or contemplate the concept of a "subsequent applicant."

Petitioner asserts that the rule's "proration necessarily operates through the Proportionate Share mechanism."[10] Petitioner misinterprets Rule 9.C.4.b.3. The rule neither states nor implies this necessity.[11] Instead, the rule is clear that this proration occurs prior to the MPC applicant's payment of the advance.[12] In this case, the possibility of Subsequent Gosling Applicant interconnecting at Gosling was not known to either Petitioner or Sierra during the negotiation or signing of the SHVD, when Petitioner's advance was calculated, agreed upon, and began to be paid.[13] Petitioner's advance was not prorated then, and Rule 9.C.4.b.3 does not retroactively prorate it now via any mechanism. The rule operates independently and by its own terms, not indefinitely via Proportionate Share.

*c.* *Subsequent Gosling Applicant's Load at Gosling Is Properly Included in Petitioner's Refund Calculation*

Rule 9.C.1 establishes that Rule 9, Section C, applies to MPCs and governs their interactions and agreements with Sierra. Petitioner's Line Extension meets the requirement of Rule 9.C.1 and is therefore governed by Rule 9.C,[14] meaning Petitioner is entitled to the refund mechanism contained in Rule 9.C.6. Pursuant to Rule 9.C.6, Petitioner's refund will be calculated based on the load

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[9] As defined in Rule 9.

[10] *Supra* n. 5 at 6, 9.

[11] Such an interpretation is, in fact, inherently contradictory. Rule 9.A.16, governing Proportionate Share Allocations, explicitly exempts the specific facilities—MPC substations and MPC HVD—for which Rule 9.C.4.b.3 provides proration. Rule 9.C.4.b.3 *cannot* operate through the Proportionate Share mechanism.

[12] The rule states that the MPC applicant "shall then only be required to advance the prorated portion," not "shall be refunded the prorated portion of its advance." As Petitioner correctly notes, Rule 9, Section A details "multiple independent refund mechanisms." S*upra* n. 5 at 9. None of these mechanisms mention or apply to Rule 9.C.4.b.3, and the only refund mechanism detailed in Rule 9, Section C is Rule 9.C.6, the load-based refund mechanism to which an MPC developer is entitled.

[13] *See supra* n. 2 at Q&A 24; Direct Testimony of Lila Yocom at Q&A 15.

[14] *Supra* n. 2; Petition at 8.

experienced at Gosling, regardless of its source. As a result, any load added by Subsequent Gosling Applicant accelerates Petitioner's refund.

Petitioner asserts that, since Subsequent Gosling Applicant's line extension is not for the purpose of serving an MPC, it does not meet the Applicability provision in Rule 9.C.1. Accordingly, Petitioner asserts, Subsequent Gosling Applicant's load is not subject to Rule 9.C and cannot be included in Petitioner's refund calculation.[15]

Petitioner misinterprets Rule 9.C.1. Petitioner 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. The refund mechanism to which Petitioner is entitled, however, does not impose any obligation on Subsequent Gosling Applicant. Rule 9.C.6, which provides Petitioner's refund, obligates only Sierra to correctly calculate and pay Petitioner's refund based on the load experienced at Gosling. Whether the origin of that load is or is not governed by Rule 9.C is irrelevant.

## III. Petitioner's Refund Is Properly Calculated by Rule 9.C.6

Rule 9.C.6 governs how Sierra calculates and pays an MPC customer refunds of its advance. The calculation by which the refund is determined explicitly relies on "the highest demand recorded in the substation for the 12-month period being evaluated."[16] The calculation is source-agnostic and does not deduct or prorate load on the facility originating from outside the MPC.[17]

In this case, Rule 9.C.6 will provide refunds to Petitioner based on the load experienced at Gosling regardless of source, meaning that Subsequent Gosling Applicant's load can only accelerate the payment of Petitioner's refund.[18] Also, contrary to Petitioner's assertion, the refund calculation in

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[15] *Supra* n. 5 at 10.
[16] Rule 9, Section C.6.c.
[17] Direct Testimony of Lila Yocom at Q&A 17.
[18] Petitioner asserts that Sierra's position is that refunds via Rule 9.C.6 act "to the exclusion" of or "displace" Proportionate Share Refunds. *Supra* n. 5 at 7, 8. This is not Sierra's position nor a proper interpretation of Rule 9. As explained above, MPCs are not categorically denied Proportionate Share Refunds and, in certain circumstances, may be entitled to both. Rule 9.C.6 is not Sierra's chosen refund mechanism, it is simply the only one to which Petitioner is entitled by the plain terms of Rule 9.

Rule 9.C.6 does not "depend" on Subsequent Gosling Applicant's load materializing.[19] The refund calculation in Rule 9.C.6 is not dependent on extra-MPC load, but is accelerated by it. If Subsequent Gosling Applicant's load never materializes, Petitioner will still be refunded based on intra-MPC load at Gosling.[20]

## IV. Application of the Plain Language of Rule 9 Is Equitable

Sierra does not dispute that Petitioner funded the development and construction of Gosling, including foundational infrastructure, grading, and more. This is the allocation of Total Cost to which Petitioner agreed and would not dispute but for the arrival of Subsequent Gosling Applicant. Application of the plain language of Rule 9.A.16.d.2 does not impose on Petitioner any obligation to which they have not already agreed, and with which they did not proceed in development of the Peru Shelf MPC. That Subsequent Gosling Applicant may now interconnect at Gosling without being assessed a Proportionate Share Allocation does not render the rule inequitable or impractical. Petitioner, too, benefits from upstream facilities for which it did not pay,[21] and, moreover, is still entitled to a refund of its advance via Rule 9.C.6, which may be accelerated by the added load of Subsequent Gosling Applicant.

## V. Conclusion

Under the circumstances presented here, Petitioner is not entitled to a Proportionate Share Allocation by the plain language of Rule 9.A.16.d.2. Petitioner remains, however, entitled to its refunds under Rule 9.C.6, which are accelerated by the materialization of Subsequent Gosling Applicant's load.

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[19] *See supra* n. 5 at 10. Petitioner's footnote 28 asserts that Sierra's witness agreed that "load must materialize at Gosling to trigger a Rule 9.C.6 refund." That is accurate, except to the extent Petitioner implies that such load *must* originate outside the MPC.

[20] In contrast to Proportionate Share, in fact, the load-based refund mechanism to which Petitioner is entitled is not limited by proportionality. A Proportionate Share Allocation would be limited to a specific capacity-based proportion of Petitioner's Total Costs. The refund mechanism in Rule 9.C.6 has no such limitation. Even if no MPC load were to develop, Petitioner may yet be refunded their full advance by virtue of Subsequent Gosling Applicant's load at Gosling.

[21] For example, utilization of Gosling relies on construction of the West Tracy to Comstock Meadows 345 kV line and Greenlink Common Tie #1, both ratepayer-funded.

Dated this 24th day of April, 2026.

Respectfully submitted,

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# CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing filing of **SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY** in Docket No. 25-09008 upon the persons listed below by electronic service:

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DATED this 24th day of April, 2026.

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