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Public Utilities Commission of Nevada
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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Nevada Power Company d/b/a NV Energy
Sierra Pacific Power Company d/b/a NV Energy

2026 Joint Triennial Integrated Resource Plan (2027-2046)
Docket No. 26-05007

Prepared Rebuttal Testimony of
Misha Pascal
(Phase II)

1. **Q. PLEASE STATE YOUR NAME, OCCUPATION, BUSINESS ADDRESS AND PARTY FOR WHOM YOU ARE FILING TESTIMONY.**

A. My name is Misha Pascal. My current position is Regulatory Analysis Lead for Nevada Power Company d/b/a NV Energy (“Nevada Power”) and Sierra Pacific Power Company d/b/a NV Energy (“Sierra” and together with Nevada Power, the “Companies”). My business address is 6100 Neil Road, Reno, Nevada. I am filing testimony on behalf of the Companies.

2. **Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE IN THE UTILITY INDUSTRY.**

A. I have two Bachelor of Science Degrees, one in Mechanical Engineering and one in Applied Economics and Statistics, with a minor in Business. I have been in my current position since August of 2018. Prior to joining the Companies, I worked in equipment management for a large North American construction company. A more detailed description of my background and experience is included in **Exhibit Pascal-Rebuttal-1**.

1 **3. Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES IN YOUR**
2 **CURRENT POSITION?**

3 A. My responsibilities include providing contract support for large customers
4 and filings, supplying departmental support for Tariff and Rule analysis,
5 and supporting the Companies' line extension Rule 9 projects in a general
6 capacity.

7
8 **4. Q. HAVE YOU PREVIOUSLY SUBMITTED PRE-FILED**
9 **TESTIMONY WITH THE PUBLIC UTILITIES COMMISSION OF**
10 **NEVADA ("COMMISSION")?**

11 A. Yes, I have provided written testimony in the Companies' Third Amendment
12 to their 2021 Integrated Resource Plan, Docket No. 22-09006, Sierra's 2022
13 General Rate Case ("GRC"), Docket No. 22-06014, Nevada Power's 2023
14 GRC, Docket No. 23-06014, Nevada Power and Sierra's Clean Transition
15 Tariff ("CTT") Advice Letter filings, Dockets Nos. 24-05022 and 24-05023,
16 and direct testimony in each individual application for approval of a Large
17 Load Electric Service Agreement ("LLESA") in Docket Nos. 26-05026
18 through 26-05030.

19
20 **5. Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**
21 **PROCEEDING?**

22 A. No.

23
24 **6. Q. WHAT IS THE PURPOSE OF YOUR PREPARED REBUTTAL**
25 **TESTIMONY?**

26 A. The purpose of my rebuttal testimony is to respond to the testimony of the
27 Regulatory Operations Staff of the Commission ("Staff") regarding the Long-

1 Term Energy Rate ("LTER"). I address how the LTER was developed and
2 refined during this proceeding, the proposed quarterly update and
3 reconciliation of the rate, the clarification of Sections 1.1 and 5.2(b) of the
4 Form LLESA, the allocation of gas transportation costs, and how the
5 minimum billing obligations apply to the LTER. In doing so, I respond to the
6 specific LTER questions raised by Staff witnesses and identify where each
7 has been addressed in discovery.¹ The quarterly update and reconciliation I
8 describe is consistent with the rebuttal testimony of Companies' witness Janet
9 Wells.

10
11 The Customer-Specific Generation Charge ("CSGC") is addressed by the
12 Companies' witness Samantha Prest.

13
14 **7. Q. ARE YOU SPONSORING ANY EXHIBITS?**

15 A. Yes. I am sponsoring the following exhibits:

16 **Exhibit Pascal-Rebuttal-1** Statement of Qualifications.

17 **Exhibit Pascal-Rebuttal-2** Data Request Responses²

18 **Exhibit Pascal-Rebuttal-3** LTER White Paper

19
20 **8. Q. ARE THE COMPANIES REQUESTING CONFIDENTIAL**
21 **TREATMENT OF CERTAIN INFORMATION CONTAINED IN**
22 **YOUR TESTIMONY AND WORKPAPERS?**

23
24
25
26 ¹ Docket No. 26-05007, Prepared Direct Testimony of Swetha Venkat , Q&As 19, 20, 25, and 26; Prepared
27 Direct Testimony of Kimberly A. Burakowski , Q&As 7, 14, and 16.

² All data requests referenced in my rebuttal testimony are presented in **Exhibit Pascal-Rebuttal-2**.

1 A. Yes. Confidential information has been redacted in sections of my testimony
2 and workpapers as they contain customer-specific information from
3 customers requesting to take service under the LLESA framework.
4

5 9. Q. **FOR HOW LONG DO THE COMPANIES REQUEST**
6 **CONFIDENTIAL TREATMENT OF THIS INFORMATION?**

7 A. The requested period for confidential treatment is five years.
8

9 10. Q. **WILL CONFIDENTIAL TREATMENT IMPAIR THE ABILITY**
10 **OF STAFF OR THE NEVADA ATTORNEY GENERAL’S**
11 **BUREAU OF CONSUMER PROTECTION (“BCP”) TO FULLY**
12 **INVESTIGATE THE INFORMATION SET FORTH IN THIS**
13 **FILING?**

14 A. No, in accordance with the accepted practice in Commission proceedings, the
15 confidential material will be provided to Staff and the BCP under
16 standardized protective agreements.
17

18 11. Q. **PLEASE PROVIDE AN OVERVIEW OF YOUR TESTIMONY.**

19 A. There are six areas that I address. First, I address Staff’s characterization
20 of the LTER as a work in progress, including the refinements made during
21 this proceeding and the reason for each. Second, I address the confirmation
22 that the LTER is updated rather than refined and the corresponding
23 revisions to the form LLESA needed to implement quarterly updates.
24 Third, I respond to each of the specific LTER questions identified by
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26
27

Staff.³ Fourth, I address the allocation of gas transportation costs. Fifth, I respond to Staff's testimony concerning the application of the minimum billing obligations to the base tariff energy rate ("BTER") as they relate to the LTER, including the concern that customers may pay for energy that was neither purchased nor produced. Sixth, I provide my recommendation to the Commission.

I. THE DEVELOPMENT OF THE LTER

12. Q. STAFF STATES THAT THE CONSTRUCT OF THE LTER "REMAINS A WORK IN PROGRESS."⁴ DO YOU AGREE?

A. No. Though refinements have been made, the rate design framework is well-developed and has not changed. The four-step derivation set out in the LTER White Paper, attached as **Exhibit Pascal-Rebuttal-3**, is the same today as when it was filed, and it is the framework the Companies ask the Commission to approve. A framework that is settled and an allocation that is refined as the underlying facts are vetted and better understood is not reasonably characterized as a "work in progress." The Companies made each refinement for a stated reason, explained it in discovery, and supported it with executable workpapers. The Companies have refined how the framework is applied to each utility's costs. Those refinements are addressed in Q&A 10.

³ Prepared Direct Testimony of Swetha Venkat at Q&As 19, 25, and 26.

⁴ *Id.* at Q&As 20 and 15.

13. Q. STAFF STATES THAT THE FILES PROVIDED IN RESPONSE TO
STAFF 142 INCLUDED “ADDITIONAL WORKPAPERS RELATED
TO THE CHANGED METHODOLOGY OF THE [CSGC AND] LTER
CALCULATIONS.”⁵ WHAT CHANGED, AND WHY?

A. The overall LTER methodology did not change, rather the updates involved
two refinements to how the framework is applied, two input updates, and the
correction of errors Staff identified. I address each below.

The first refinement was calculating the LTER separately for Nevada Power
and Sierra rather than as a single system-wide rate. Utility-specific rates were
always going to be required for billing, because the two utilities have different
BTER, so the embedded contribution a customer makes through the BTER
differs depending on which utility serves it. The illustrative rate in the white
paper was presented on a combined basis because it was indicative. The
utility-specific calculation was developed for greater clarity as the
workpapers were updated, and was discussed with Staff at a July 16, 2026,
meeting.⁶ A single system-wide rate would have applied one BTER
contribution to customers who pay two different BTERs. Separating the
calculation keeps the BTER offset consistent with the rate each customer
actually pays.

⁵ Venkat at 8-9, Q&A 13. Ms. Venkat’s statement also refers to the CSGC workpapers. I address the LTER
workpapers in my rebuttal testimony; Ms. Prest addresses the CSGC workpapers.

⁶ NV Energy Response to Staff DR 108, reproduced at Venkat Attachment SV-8 at 2 (describing the
workpapers as “the indicative pricing structure as filed”); Venkat at 15, Q&A 22.

1 The second refinement was allocating gas transportation costs on a regional
2 basis. Gas transportation has been part of the LTER since the LTER was
3 developed. The Companies refined how that cost is assigned. Gas
4 transportation costs are associated with the thermal units whose capital costs
5 are recovered through the CSGC, so the Companies allocate it consistent with
6 the regional treatment applied to those units in the CSGC.⁷

7
8 Two inputs were also updated. The earlier calculation was completed prior to
9 finalizing the IRP resource set and therefore did not include the Castor
10 Storage power purchase agreement (“PPA”) in its inputs. The updated
11 calculation includes this PPA, consistent with the comparison of the Base and
12 Base Minus load forecasts, under which the Castor Storage PPA is needed
13 only to serve the incremental large load.⁸ The customer list was also reduced
14 from thirty-five projects to ten as it became known which customers would
15 execute agreements based on the PPA resources, including sleeved
16 resources.⁹

17
18 Staff 303 identified errors in the updated calculation provided in response to
19 Staff 142. The Companies acknowledged and corrected each of them in the
20 response to Staff 303 and served a revised attachment.¹⁰

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25 ⁷ Exhibit Pascal-Rebuttal-3, LTER White Paper, Section III; CSGC White Paper, Section III, reproduced at
Venkat Attachment SV-4 at 6. CSGC White Paper.

26 ⁸ NV Energy Response to Staff DR 303, Part 2. Exhibit Pascal-Rebuttal-2

27 ⁹ NV Energy Response to Staff DR 303, Part 3. Exhibit Pascal-Rebuttal-2

¹⁰ NV Energy Response to Staff DR 303, Parts 1, 4, 5, and 7.

14. Q. STAFF STATES THAT CALCULATING SEPARATE RATES FOR SIERRA AND NEVADA POWER "GOES BEYOND A SIMPLE REFRESH OF INDICATIVE PRICING" AND "REPRESENTS A CHANGE IN THE METHODOLOGY ITSELF."¹¹ THE LTER WHITE PAPER STATES THAT THE METHODOLOGY AND RATE STRUCTURE "WILL REMAIN UNCHANGED" AND THAT "ONLY THE UNDERLYING INPUTS WILL BE UPDATED." HOW DO YOU RECONCILE THE TWO?

A. The statement in the LTER White Paper that the methodology and rate structure will remain unchanged refers to the rate design framework, and that framework has not changed.¹² Step 1 of the White Paper identifies the incremental long-term resources caused by large load. Step 2 allocates their cost by each customer's share of forecast 2032 peak demand. Step 3 establishes the minimum annual billing quantity, and Step 4 applies the BTER offset. Each of those steps, and the allocator, is the same today as when the white paper was filed.¹³ Calculating separate rates for Nevada Power and Sierra applies that same framework to each utility's own BTER. It does not add a step, remove a step, or change the allocator. It reflects the fact that the two utilities have different BTERs, so the embedded contribution in Step 4 differs between them. Applying one framework to two sets of utility-specific costs is an application of the framework, not a change in the methodology.

¹¹ Venkat at 15, Q&A 22.

¹² Exhibit Pascal-Rebuttal-3, Section VI (final paragraph).

¹³ Exhibit Pascal-Rebuttal-3, Section II, Table 1.

1 **II. UPDATED, NOT FIXED, LONG-TERM ENERGY RATE**

2
3 **15. Q. DID THE COMPANIES CONFIRM THAT THE LTER WOULD BE**
4 **UPDATED RATHER THAN FIXED?**

5 **A.** Yes. In the response to Staff 126, the Companies confirmed that the LTER
6 rate "will need to change throughout the life of the contract."¹⁴

7
8 The response to Staff 126 described multiple methods to carry out the
9 reconciliation of the LTER and incremental costs, including a separate
10 deferred balancing account with quarterly updates. Every option it
11 described rested on the same principle: any difference between LTER
12 revenue and actual incremental cost would be tracked and paid by the
13 LLESA customers, not shifted to existing customers. The response to Staff
14 244 then committed to updating the rate using the balancing account, and
15 Ms. Wells' rebuttal testimony formalizes that mechanism and proposes the
16 implementing language.¹⁵

17
18 Staff also states that the Companies did not discuss whether the definition
19 of the LTER in the form LLESA needed to change.¹⁶ The response to Staff
20 126 acknowledged that Section 5.2(b) does not contemplate a quarterly
21 update and stated that the form LLESA could be updated to provide for
22

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24
25 ¹⁴ NV Energy Response to Staff DR 126, Part A, reproduced at Venkat Attachment SV-9 at 2 and
Burakowski Attachment KAB-5.

26 ¹⁵ Prepared Rebuttal Testimony of Janet Wells ("Wells Rebuttal"), Q&A 15 and Exhibit Wells-Rebuttal-1

27 ¹⁶ Prepared Direct Testimony of Swetha Venkat at 12, Q&A 18.

one.¹⁷ The clarification Ms. Wells sponsors conforms both the definition of the LTER in Section 1.1 and Section 5.2(b). I address that clarification in Q&A 14.

Updating the rate also addresses Ms. Venkat's concern that a fixed LTER could over- or under-recover costs if the underlying costs change but the rate does not.¹⁸ Because the LTER is updated quarterly to actual costs, that risk does not arise.

16. Q. MS. VENKAT CHARACTERIZES THE RESPONSE TO STAFF 244 AS “FLIP-FLOPPING.”¹⁹ HOW DO YOU RESPOND?

A. The response to Staff 244 did not change the Companies' position. Staff 244 asked whether the LTER would be updated each time a PPA reaches commercial operation and begins providing generation to the LLESA customers. The answer was yes.²⁰

The LTER is not updated before a PPA reaches commercial operation, because until then there are no actual costs or output to update it with. Once a PPA reaches its commercial operation date, the Companies begin receiving invoices based on actual output. Those actual costs are compared with actual embedded PPA costs, and the rate is updated. It covers both the incremental

¹⁷ NV Energy Response to Staff DR 126, Part C, reproduced at Venkat Attachment SV-9 at 3. Ms. Venkat identifies Section 1.1 as the provision defining the LTER as a fixed rate. Prepared Direct Testimony of Swetha Venkat at 11, n.40.

¹⁸ Prepared Direct Testimony of Swetha Venkat at 12, Q&A 17.

¹⁹ *Id.* at 13-14, Q&A 20 and n.44 (citing Attachment SV-10, NV Energy Response to Staff DR 244).

²⁰ NV Energy Response to Staff DR 244, reproduced at Venkat Attachment SV-10.

PPAs identified for the LLESA customers and PPAs that reach commercial operation and add to the embedded costs paid by all customers, because both affect the incremental cost the LTER is designed to recover. Each quarterly update described in Q&A 15 includes any PPA that reached commercial operation during that quarter. The LTER is first charged when the first PPA reaches commercial operation and is updated quarterly thereafter.

This is consistent with the response to Staff 126. Staff 126 confirmed that the LTER will change over the life of the contract. Staff 244 identifies what triggers each change: commercial operation, when actual costs become known. The response to Staff 244 also expressly relies on the balancing account described in the response to Staff 126. The two responses describe the same mechanism at different levels of detail, and they do not contradict each other.

17. Q. THE RESPONSE TO STAFF 126, REPRODUCED BY MS. BURAKOWSKI, ACKNOWLEDGES THAT SECTION 5.2(B) OF THE FORM LLESA “CONTEMPLATES CHANGES TO THE LTER; HOWEVER, IT DOES NOT CONTEMPLATE THE QUARTERLY UPDATE”²¹ THAT THE COMPANIES DESCRIBE. PLEASE EXPLAIN.

A. The Companies acknowledge that the LTER White Paper and the Companies’ discovery responses describe a rate that is updated quarterly, however, the definition of the LTER in Section 1.1 and Section 5.2(b) as

²¹ NV Energy Response to Staff DR 126, Part C, reproduced at Burakowski Attachment KAB-5 at 3.

1 drafted do not reflect the quarterly update. As Ms. Wells explains, the
2 Companies propose that the form LLESA be clarified to provide for
3 quarterly updates through the BTER filing process and a separate deferred
4 account for the LLESA customer group, and she sponsors the proposed
5 language.²²
6

7 **18. Q. MS. VENKAT ASKS WHETHER THE FORM LLESA AS WRITTEN**
8 **ALLOWS FOR TRUE-UPS²³ AND HOW A TRUE-UP WOULD BE**
9 **IMPLEMENTED. HOW WILL THE QUARTERLY UPDATE AND**
10 **RECONCILIATION WORK?**

11 **A.** The LTER will be updated and reconciled quarterly through the BTER filing
12 process. Ms. Burakowski describes the same starting point, stating that “[t]he
13 reconciliation of the LTER costs and revenues is to be addressed quarterly in
14 the BTER filings.”²⁴ Each quarterly filing will present the following for the
15 LLESA customer group:

- 16 (1) actual invoiced costs of the incremental PPAs and actual gas
17 transportation costs assigned to the group;
18 (2) any incremental PPA that reached commercial operation during the
19 quarter, with its actual cost and output incorporated from that point forward;
20 (3) the group’s contribution through the BTER and DEAA, determined by
21 comparing actual embedded PPA costs with actual incremental PPA costs,
22 consistent with the response to Staff 244;
23 (4) LTER revenue actually collected;
24

25
26 ²² Wells Rebuttal, Q&A 15 and **Exhibit Wells-Rebuttal-1**.

27 ²³ Prepared Direct Testimony of Swetha Venkat at 12, Q&A 17.

28 ²⁴ Prepared Direct Testimony of Kimberly A. Burakowski (“Burakowski”) at 3, Q&A 7.

(5) the balance of the separate LTER deferred account, including carrying charges; and

(6) the resulting updated LTER for the following period.

Over- and under-collections are recorded in the separate deferred account and carried forward to the LLESA customer group rather than to existing customers.²⁵

Because each quarterly filing uses actual invoices and actual output, it also addresses Mr. Shil's concern regarding differences between forecast and realized PPA output, which Ms. Wells discusses further.^{26, 27}

III. STAFF'S LTER QUESTIONS

19. Q. MS. VENKAT IDENTIFIES FIVE QUESTIONS STAFF HAS REGARDING THE LTER. PLEASE ADDRESS EACH.²⁸

A. Each of these questions has been addressed in discovery. I address them in the order Ms. Venkat lists them.

(1) *Whether certain components used to calculate the LTER will be fixed or variable throughout the term.* The components tied to cost are variable and are updated to actual values in each quarterly reconciliation: the actual invoiced cost of the incremental PPAs, the actual fixed cost of the gas

²⁵ Prepared Rebuttal Testimony Janet Wells at Q&As 15 and 25.

²⁶ Prepared Direct Testimony of Swetha Venkat at 13, Q&A 19 (stating that Mr. Shil addresses points (1) and (2)).

²⁷ Prepared Rebuttal Testimony of Janet Wells at Q&A 18.

²⁸ Prepared Direct Testimony of Swetha Venkat at 12-13, Q&A 19.

1 transportation costs, and the embedded PPA costs used to determine the
2 BTER contribution. The minimum billing determinants are taken from each
3 customer's contracted ramp and Maximum Demand and change only if the
4 Maximum Demand is adjusted under Section 4.4 of the form LLESA. These
5 inputs were identified in the response to Staff 126, Part B.

6 (2) *How LTER costs will be tracked separately.* The incremental costs to serve
7 the LLESA customers will be tracked separately, in the same manner the
8 Renewable Base Tariff Energy Rate ("RBTER") is tracked today, as stated in
9 the response to Staff 126, Part A. Ms. Wells' rebuttal testimony formalizes
10 this tracking in a separate LTER deferred account for the LLESA customer
11 group.

12 (3) *The process for quarterly adjustments.* The LTER is recalculated each
13 quarter in the BTER filing, following the process used today for the RBTER,
14 as described in the response to Staff 126, Part B. The contents of each
15 quarterly filing are described in my Q&A 15.

16 (4) *The accounting treatment of LTER revenues.* LTER revenue is treated the
17 same as BTER revenue for regulatory accounting purposes, as stated in Table
18 1 of the LTER White Paper, and the LTER is reflected as an incremental
19 BTER rate in each quarterly BTER and DEAA filing, as stated in the response
20 to Prologis 16.²⁹ The difference between LTER revenue and actual
21 incremental cost is recorded in the separate deferred account for the LLESA
22 customer group.

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27 ²⁹ Exhibit Pascal-Rebuttal-3, LTER White Paper Section II, Table 1; Exhibit Pascal-Rebuttal-2 at NV Energy
Response to Prologis DR 16,

(5) *How over- or under-collection will be handled.* Over- and under-collections are recorded in the separate deferred account, with carrying charges, and are included in the LTER for the following quarter, so they are refunded to or recovered from the LLESA customer group and not existing customers. The response to Staff 126, Part B, described this account, the response to Staff 244 committed to using it, and Ms. Wells proposes the implementing language in her rebuttal testimony.

20. Q. MS. VENKAT ALSO NOTES THREE INPUTS THE COMPANIES IDENTIFIED IN THE RESPONSE TO STAFF 126 THAT COULD CAUSE THE LTER TO OVER- OR UNDER-COLLECT.³⁰ HOW ARE THOSE ADDRESSED?

A. Each of the three is an input that the quarterly reconciliation replaces with actual values. Customer load above the minimum produces LTER revenue above the amount forecast, and that excess is recorded in the deferred account and reduces the following quarter's rate. Resource output above or below estimates changes the actual invoiced PPA cost, which is the cost the reconciliation uses. Changes in embedded costs change the BTER contribution, which is recalculated each quarter using actual embedded PPA costs, as described in the response to Staff 244. The Companies identified these inputs in the response to Staff 126 because they are the reason the rate is updated rather than fixed.

³⁰ Prepared Direct Testimony of Swetha Venkat at 13, Q&A 19; NV Energy Response to Staff DR 126, Part A, reproduced at Venkat Attachment SV-9 at 2.

21. Q. MS. VENKAT'S SECOND CALCULATION ISSUE CONCERNS THE
BTER CONTRIBUTION USED IN THE LTER.³¹ HOW IS THAT
ADDRESSED?

A. The BTER contribution removes the long-term resource cost the customer already pays through the BTER, so that the LTER does not collect it twice. Each customer's allocated share of new long-term PPA generation is valued at the levelized cost of energy of the embedded long-term resource portfolio, because the BTER recovers only the embedded portfolio. That value is an estimate only in the initial rate.³²

After the initial rate, the contribution is calculated from actual values. Each quarterly update compares actual embedded PPA costs with actual incremental PPA costs, as described in the response to Staff 244, using updated embedded costs of renewable PPAs, as described in the response to Staff 126, Part B. An over- or under-collection in the initial contribution is corrected in the next quarterly update, and any difference is recorded in the LLESA customer group's deferred account rather than charged to existing customers. The initial rate will also be set using the final approved resources and customer loads once the form LLESA is approved, and any deferred balance is cleared in the following quarter, which limits variation in the rate between updates.

³¹ Prepared Direct Testimony of Swetha Venkat at 17-18, Q&A 25.

³² Exhibit Pascal-Rebuttal-3, Section VI.A; Exhibit Pascal-Rebuttal-2 at NV Energy Response to Staff DR 320, Part B.

As to which resources are included, the embedded levelized cost of energy is the weighted average of NV Energy's embedded long-term renewable portfolio, including existing geothermal, hydroelectric, solar, wind, and approved-not-yet-built resources, as described in Step 4 of the LTER White Paper. Staff raised this question in Staff DR 321. Ms. Burakowski raises the same question and suggests it could cause remaining ratepayers to pay more through the BTER.³³ The contribution reflects BTER revenue the LLESA customers actually pay at the embedded portfolio rate, so it does not reduce the revenue available for other costs below what those customers contribute. As explained in that response, the embedded levelized cost of energy includes all resource types because the BTER recovers the embedded long-term portfolio as a whole, and no customer pays a BTER that recovers only a subset of it. Using only solar and storage resources would understate the contribution already made through the BTER and overstate the amount recovered through the LTER.³⁴

22. Q. MS. VENKAT ASKS ABOUT NV ENERGY'S TREATMENT OF POTENTIAL ADDITIONAL LTER REVENUE RESULTING FROM MINIMUM BILLING BETWEEN RATE RESETS.³⁵ HOW WILL THAT BE TREATED?

A. The LTER is calculated using the minimum billing determinants, as stated in the response to Staff 240.³⁶ Revenue collected through the LTER, including

³³ Prepared Direct Testimony of Kimberly Burakowski at 7, Q&A 14.

³⁴ Exhibit Pascal-Rebuttal-2 at NV Energy Response to Staff DR 321.

³⁵ Prepared Direct Testimony of Swetha Venkat at 18, Q&A 26.

³⁶ NV Energy Response to Staff DR 240, reproduced at Burakowski Attachment KAB-2.

revenue from usage above the minimum, is compared with actual incremental cost in each quarterly reconciliation. Any difference is recorded in the LLESA customer group's deferred account and reflected in the next quarterly rate. Because the LTER is reset every quarter, any additional revenue carries only into the following quarter's rate and is not retained by the Companies. The remaining questions in Ms. Venkat's Q&A 26 concern the CSGC and are addressed by Ms. Prest.

IV. ALLOCATION OF GAS TRANSPORTATION COSTS

23. Q. MS. VENKAT STATES THAT, AT THE SEPTEMBER 2, 2026, MEETING, THE COMPANIES HAD NOT DECIDED ON A GAS TRANSPORTATION ALLOCATION METHOD.³⁷ IS THAT A COMPLETE ACCOUNT OF THE EXCHANGE?

A. Ms. Venkat's account is accurate as to where the process stood at that meeting. The Companies had not yet served the response to Staff 303 and presented several alternatives for Staff's feedback. At the same meeting, the Companies also stated which method they supported, and that is the method identified in the response to Staff 303 as the Companies' preferred approach.

The response to Staff 303 also explains why other alternatives are not supported. The supported method allocates gas transportation on a regional basis, consistent with the treatment applied in the CSGC, and recognizes the

³⁷ Prepared Direct Testimony of Swetha Venkat at 14, Q&A 20.

embedded contribution made through the BTER within each utility. It does not allocate the long-term PPAs regionally.³⁸

V. MINIMUM BILLING OBLIGATIONS AND THE LTER

24. Q. MS. BURAKOWSKI QUESTIONS WHY THE MINIMUMS SHOULD ALSO APPLY TO THE BTER. WHY DO THEY?

A. The LTER is built on the foundational assumption that minimums apply to the BTER.³⁹ Step 4 of the LTER derivation credits each customer for the long-term resource cost it already pays through the BTER. That credit is calculated on the customer's allocated share of new PPA generation, and the white paper identifies that allocated share as part of the customer's minimum annual billed energy. The credit is then expressed per megawatt-hour of that minimum billed energy.⁴⁰

In other words, the BTER offset assumes the customer pays the BTER on its minimum billing quantity. If the BTER were billed only on actual usage below that minimum, the customer would receive credit in the LTER for a BTER contribution it never made. The LTER would under-recover by that amount. Applying the minimum to the BTER is what keeps the credit in the LTER equal to the BTER revenue actually collected.

³⁸ Exhibit Pascal-Rebuttal-2 at NV Energy Response to Staff DR 303, Part 6.

³⁹ Exhibit Pascal-Rebuttal-3, LTER White Paper, Section VI.A (Step 1 of the BTER contribution derivation); Exhibit Pascal-Rebuttal-2 at NV Energy Response to Staff DR 320, Part B,

⁴⁰ Exhibit Pascal-Rebuttal-3, Section VI.A; Exhibit Pascal-Rebuttal-2, NV Energy Response to Staff DR 320, Part B.

First, the revenue is not retained by the Companies and is not applied to any cost a second time. Minimum energy revenue that exceeds a customer's actual usage is credited to all customers through the BTER and DEAA, consistent with existing regulatory accounting treatment.⁴¹ LLESA customers pay the BTER and DEAA on the same basis as all other customers, and that revenue is recorded the same way as all other retail BTER and DEAA revenue.⁴² To answer Ms. Burakowski's question, the revenue offsets the fuel and purchased power costs that every customer pays through the BTER and DEAA, so the customers who benefit are existing customers. Ms.

27 ⁴²NV Energy Response to Staff DR 240, item 5, reproduced at Burakowski Attachment KAB-2 at 3.

1 Burakowski agrees that, if the charge is assessed, it should be processed
2 through the normal BTER and DEAA mechanism,⁴³ and that is what the
3 Companies propose.

4
5 Second, the BTER contribution in the LTER counts only what the BTER
6 actually recovers. It is measured using the embedded long-term resource
7 portfolio reported in the Companies' Exhibit E-2, and short-term purchases
8 are excluded. Any cost specifically allocated to a customer under its
9 agreement is recovered from that customer and not through the BTER.⁴⁴ No
10 cost is counted in both the BTER contribution and the LTER.

11
12 Third, the quarterly reconciliation does not recover a difference twice. The
13 LTER is reconciled separately from the system BTER and DEAA, the same
14 way the RBTER is tracked separately today.⁴⁵ The incremental PPA and gas
15 transportation costs, LTER revenue, and BTER contribution are reconciled
16 in the LTER deferred account for the LLESA customer group.⁴⁶ Any
17 resulting over- or under-collection is recorded only in that account and is
18 excluded from the system DEAA balance. Minimum energy revenue in
19 excess of actual usage stays in the system BTER and DEAA. Each difference
20 is recorded in one account and trued up once in the quarterly reconciliation.
21 Finally, as I explain in Q&A 21, applying the minimum to the BTER prevents
22 under-recovery in the LTER. It does not create over-recovery.

23
24
25 ⁴³Prepared Direct Testimony of Kimberly Burakowski at 8, Q&A 16.

26 ⁴⁴ Exhibit Pascal-Rebuttal-2, NV Energy Response to Staff DR 319..

27 ⁴⁵Exhibit Pascal-Rebuttal-2, NV Energy Response to Staff DR 126, Parts A and B., reproduced at Venkat
Attachment SV-9 and Burakowski Attachment KAB-5.

28 ⁴⁶Prepared Rebuttal Testimony of Janet Wells at Q&A 24.

1 **26. Q. MS. BURAKOWSKI STATES THAT BECAUSE THE BTER AND**
2 **DEAA DO NOT SET A SEPARATE RATE FOR A SPECIFIC GROUP**
3 **OF CUSTOMERS, ANY OVERAGES OR SHORTAGES WOULD**
4 **LIKELY AFFECT MOST EXISTING CUSTOMERS. HOW IS THAT**
5 **ADDRESSED?**

6 **A.** It depends on which revenue is involved, and the two cases work differently.

7
8 For the LTER, the concern is addressed by the separate LTER deferred
9 account Ms. Wells proposes. Differences between LTER revenue and actual
10 incremental cost are recorded in that account and carried forward to the
11 LLESA customer group, not to existing customers.⁴⁷ This also answers Ms.
12 Burakowski's comment that the Companies had not committed to a separate
13 deferred account—they have.⁴⁸

14
15 For minimum energy revenue above actual usage that is billed through the
16 BTER, the effect on existing customers runs in their favor. That revenue is
17 credited through the BTER and DEAA and lowers the costs all customers
18 pay. It is not a shortage that existing customers absorb.

19
20 **VI. RECOMMENDATIONS**

21 **27. Q. MS. VENKAT RECOMMENDS AN INVESTIGATORY DOCKET, IN**
22 **PART BECAUSE ISSUES NOT RESOLVED BEFORE THE**
23

24
25
26 ⁴⁷ Prepared Direct Testimony of Kimberly Burakowski at 9, n.14; Prepared Rebuttal Testimony of Janet Wells at Q&A 15.

27 ⁴⁸ Prepared Direct Testimony of Kimberly Burakowski at 8, Q&A 14. Prepared Rebuttal Testimony of Janet Wells at Q&A 15.

**AGREEMENTS TAKE EFFECT MAY BE DIFFICULT TO ADDRESS
LATER. DOES THAT CONCERN APPLY TO THE LTER?⁴⁹**

A. No. Each question Ms. Venkat identifies regarding the LTER has been answered in discovery and is addressed in rebuttal testimony. The LTER is not a rate that is set once and left in place. It is recalculated each quarter in a BTER filing submitted to the Commission, with actual costs, actual revenue, and the deferred account balance presented for review. That gives Staff and the Commission an ongoing opportunity to review how the LTER is working after the agreements take effect. The quarterly process by design provides opportunities for review.

**28. Q. WHAT DO YOU RECOMMEND THE COMMISSION ORDER WITH
RESPECT TO THE LTER?**

A. I recommend that the Commission, as part of the LLESA framework approval, approve the LTER framework as described in the LTER White Paper; approve recovery of incremental long-term energy-supply costs assigned to the LLESA customer group, net of applicable BTER and DEAA contributions; approve quarterly updates through the BTER filing process using actual invoices, with a separate deferred account for group-specific over- or under-collections and carrying charges, as described by Ms. Wells; approve the clarification of the definition of the LTER in Section 1.1 and Section 5.2(b) of the form LLESA to reflect that mechanism; approve the application of the minimum billing obligations to the LTER and BTER, with minimum energy revenue in excess of actual usage credited to all customers

⁴⁹ Prepared Direct Testimony of Swetha Venkat at 14-15, Q&A 21; 18-19, Q&A 26.

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through the BTER and DEAA; and approve the gas transportation allocation
method identified in the response to Staff 303.

**29. Q. DOES THIS CONCLUDE YOUR PREPARED REBUTTAL
TESTIMONY?**

A. Yes.

EXHIBIT PASCAL-REBUTTAL-1

Misha Pascal
Regulatory Analysis Lead
RATES & REGULATORY AFFAIRS
NV Energy
6100 Neil Road
Reno, Nevada 89511-1137
(775) 834-3571

Mr. Pascal has been an employee of NV Energy since August 2018 and is currently positioned as a Regulatory Analysis Lead within the Rates & Regulatory Affairs department. His current responsibilities are focused upon providing support for large customer projects under development, Rule 9 functions, and work closely with other departments within the utility, such as legal, finance, operations, and engineering, to ensure a cohesive approach to regulatory issues.

Prior to joining the Company, Mr. Pascal had experience as a Maintenance Engineer for a North American Contractor Ledcor. There he provided in depth analysis for processing, safety, and maintenance efficiencies. Responsibilities included analysis of several maintenance programs and present them through initiatives, cost justifications, and rate design.

Employment History

NV Energy

August 2018 to Present

Regulatory Analysis Lead, Regulatory Pricing & Economic Analysis

Pricing Specialist, Regulatory Pricing & Economic Analysis

Senior Pricing Analyst, Regulatory Pricing & Economic Analysis

August 2018 to Present

- Develop Rule 9 initiatives for the Transportation and Electrification Plan.
- Leadership role in developing pricing products.
- Complete transmission and non-transmission facility studies.
- Updated the Sierra Rule 9 allowances.
- Develop customer facilities charges that involve facilities analysis, cost responsibility, bill corrections, and tariff support.
- Analysis for cost estimators and rate developments.
- Provide contract support in several regulatory capacities.
- Provide Rule 9 support for gas and electric projects.

Non-Sierra Employment

Ledcor Group

Dec 2013 to June 2018

Maintenance Engineer

- Established planning programs for preventative maintenance and forecast inventory usage of multimillion dollars in stock parts.
- Conducted impacts of regulatory and safety standards and how the outcomes are affected against production and maintenance.
- Managed service contracts and negotiate rates based on margins required for success.
- Provided in depth equipment analysis during contract creation and negotiation and its impacts.

Education

University of Nevada, Reno

Bachelor of Science in Mechanical Engineering, December 2013.

University of Nevada, Reno

Bachelor of Science in Applied Economics and Statistics May 2001.

EXHIBIT PASCAL-REBUTTAL-2

Compilation of Data Request Responses Referenced in Pascal Rebuttal Testimony
Including:

- Staff DR 108
- Staff DR 126
- Staff DR 142
- Staff DR 240
- Staff DR 244
- Staff DR 303
- Staff DR 319
- Staff DR 320
- Staff DR 321
- Prologis DR 16

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	06-25-2026
REQUEST NO:	Staff 108	KEYWORD:	july 9 2026 meeting workpapers; LTER CSGC calculations executable workpapers
REQUESTER:	Shil	RESPONDER:	Pascal, Misha (NV Energy)

REQUEST:

Reference: July 9, 2026 Meeting Workpapers

Question: Please provide executable copies of all workpapers that will be discussed during the July 9, 2026, 1 PM meeting between NV Energy and Staff to go over the LTER and CSGC calculations.

RESPONSE CONFIDENTIAL (yes or no): No.

ATTACHMENT CONFIDENTIAL (yes or no): Yes.

Note: The confidential attachment(s) will not be available on the Company's website

JUSTIFICATION FOR CLAIM OF CONFIDENTIALITY: Confidential attachments 1-7 and 12 contain commercially sensitive and/or trade secret information that derives independent economic value from not being generally known. The exhibit contains commercially sensitive information, which, if publicly disclosed would harm the Companies and the counterparties. The information is not known outside the Companies and its distribution is limited within the Companies. Releasing this highly sensitive information would disadvantage the Companies and their customers by limiting their ability to foster competition among prospective suppliers, compromising the Companies' negotiating position and reducing bargaining leverage. Publication of this information would unfairly advantage competing suppliers and impair the Companies' ability to achieve the most favorable pricing and terms and conditions from suppliers on behalf of their customers. Customer-specific information or data can be reversed out to determine customer specific information.

Confidential attachments 8-9 contain customer-specific information. Confidential attachments 10-11 also contain information that, if revealed, can be derived to learn customer-specific information.

TOTAL NUMBER OF ATTACHMENTS: Two zipped files (one confidential and one non-confidential)

RESPONSE:

Confidential attachments 1-7 reference specific PPA resources for the LTER. Confidential attachments 8-9 contain the CSGC and LTER work papers. Confidential attachments 10-11 contain the LOLP and CER files that inform the CSGC calculation. Confidential attachment 12 and attachments 13-14 are resource information files of embedded generation that inform the LTER. Attachment 15 is the Minimum Billing calculator that produces the termination and security provisions. Please note that these files provide the indicative pricing structure as filed. Some of the attached files were previously provided for reference prior to the meeting on July 9. Workbooks with updated estimates will be provided as supplements to this request.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	07-20-2026
REQUEST NO:	Staff 126	KEYWORD:	long-term energy rate LTER LLESA BTER DEAA; generating facility alternative
REQUESTER:	Venkat	RESPONDER:	Wells, Janet

REQUEST:

Reference: Long-Term Energy Rate

Question: As discussed in the meetings on July 15, 2026, and July, 16, 2026, please clarify whether the LTER rate will be updated during the term of an LLESA after an LLESA is approved for reasons including, but not limited to, quarterly changes in the BTER and DEAA and over/undercollection of LTER revenues compared to the actual cost of the long-term energy supply arrangements needed to serve LLESA customers' load. If confirmed:

A. Please explain in detail how such updates to the LTER will be reconciled against the definition of LTER in the form LLESA which defines LTER as, "(a) a fixed rate of \$[<insert price>]/MWh for the hours and loads the applicable Generating Facility or Alternative Generating Facility is in production, plus (b) all BTER and DEAA rates for hours and loads during non-production hours, as described in Section 5.2(c), as it may be adjusted pursuant to Section 5.2(b)."

B. Please explain in detail the process for how an update to the LTER would be calculated and effectuated on an LLESA customer's bill.

C. Please identify the section of the form LLESA that allows for an update to the LTER during the term of an LLESA. If not confirmed:

D. Please explain in detail whether and how any potential over (under) collection of LTER revenues compared to the actual cost of the long-term energy supply arrangements will be refunded (recovered) from the LLESA customers.

E. If any potential over (under) collection of LTER revenues compared to the actual cost of the long-term energy supply arrangements will not be refunded (recovered) from the LLESA customers, please explain in detail whether all other ratepayers

will be responsible for any differential between LTER revenues and the actual cost of the long-term energy supply arrangements.

Please provide a written response and do not state that the question was answered during the meeting.

Please contact Swetha Venkat at svenkat@puc.nv.gov with any clarification questions.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

A. The Companies confirm that the incremental costs to serve the large load requests will be tracked separately, similar to how the current Renewable Base Tariff Energy Rate ("RBTER") is done today and, therefore, the LTER rate will need to change throughout the life of the contract. The intent of the Long-Term Energy Rate is to collect the incremental costs of the purchased power agreements identified as required to meet the load needs of the large load requests as well as the costs of the gas expansion needed to provide fuel to the Fort Churchill thermal units also identified as required to meet the large load requests. The estimated rate provided in the form agreement is based on the cost of the incremental purchase power agreements compared to the embedded costs of purchase power agreement plus the estimated fixed contract cost for gas pipeline expansion. The rate is calculated using the minimum billing proposed in the form LLESA. While consistent with section 5.2(b), the estimated per MWh rate provided in the form LLESA can be refined once all PPAs are approved, embedded rates are updated for previously approved PPAs, and the gas pipeline expansion contract is executed, there are other inputs that may result in either over or under collection of the incremental costs:

1. Actual customer load exceeds the minimum requirements resulting in more revenue than anticipated by the rate calculation;
2. Actual output of the resources exceeds or falls short of estimates provided resulting in higher or lower revenue required to pay the incremental cost of the PPAs;
3. Embedded costs change as a result of changing output or additional resources needed to continue to meet renewable portfolio standards in Nevada.

The rate could remain fixed as described in section 5.2(a) but any difference from the incremental costs would need to be tracked and paid for by the LLESA customers in order to ensure costs are not shifted to existing customers. The differences could be tracked and reconciled at a set interval such as annually with any under-collection spread using a load ratio share amongst all LLESA large load customers or any revenue in excess of the incremental costs spread back as a load ratio share to all LLESA customers.

Alternatively, the form LLESA could be updated to indicate that the rate will update every quarter based on a reconciliation similar to what is done today for the RBTER.

B. To refund or recover any over (under) collection, a separate deferred balancing account could be established. Each quarter, when the rate is being calculated, any calculated differential rate (similar to how the current DEAA is calculated) could be included in the LTER in effect for the following quarter. The reconciliation of quarterly costs and revenues would be provided at each quarterly filing and the LTER rate updated similar to how the RBTER is updated and calculated each quarter. The inputs that will dictate the calculation will include:

1. Actuals costs of the PPAs plus the fixed gas pipeline expansion costs
2. Minimum billing determinants as proposed in the LLESA from the large load ramp requests
3. Updated embedded costs of renewables PPAs not included in incremental PPAs identified to meet the Base Load Forecast to ensure the rate is calculated for the incremental costs above what the embedded costs are paid for by the large load customers through the BTER

C. Section 5.2(b) contemplates changes to the LTER; however, it does not contemplate the quarterly update described in parts A and B.

D. N/A

E. N/A

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	07-29-2026
REQUEST NO:	Staff 142	KEYWORD:	updated CSGC LTER workpapers july 16 2026 meeting; staff 108 supplement
REQUESTER:	Venkat	RESPONDER:	Pascal, Misha (NV Energy)

REQUEST:

Reference: Updated CSGC/LTER workpapers

Question: As discussed during the meeting on July 16, 2026, please provide the executable workpapers for the updated LTER and CSGC calculations. Please provide all supporting workpapers in executable native excel format with all formulas and references intact. If there is any hardcoded data, please provide the source of the hardcoded data and the underlying workpapers that clearly show where each hardcoded data is coming from and how it is calculated.

It was Staff's understanding that the aforementioned workpapers would be provided as a supplement to Staff DR 108 shortly after the July 16, 2026, meeting (which, as of today, was 13 days ago). As such, please expedite the response. Please note that NV Energy's response to Staff 108 (provided on July 14, 2026) stated, "Workbooks with updated estimates will be provided as supplements to this request."

RESPONSE CONFIDENTIAL (yes or no): No

ATTACHMENT CONFIDENTIAL (yes or no): Yes.

Note: The confidential attachment(s) will not be available on the Company's website

JUSTIFICATION FOR CLAIM OF CONFIDENTIALITY: The confidential attachments contain customer-specific information.

TOTAL NUMBER OF ATTACHMENTS: Nineteen

RESPONSE:

Attached are the updated files that inform the LTER and the CSGC calculations. These are the workbooks with updated estimates and provide, in some instances, additional information in response to the July 16, 2026, meeting. The following is the reference guide for the files:

26-05007 Staff 142 Attach 01 Trego Grid
26-05007 Staff 142 Attach 02 Southern Bighorn
26-05007 Staff 142 Attach 03 Commerce Station Energy Storage
26-05007 Staff 142 Attach 04 Coyote Springs / BESS
26-05007 Staff 142 Attach 05 Amargosa
26-05007 Staff 142 Attach 06 Dry Lake East II
26-05007 Staff 142 Attach 07 Lux
26-05007 Staff 142 Attach 08 Fish Springs Energy Storage
26-05007 Staff 142 Attach 09 Castor
26-05007 Staff 142 Attach 10 NPC E-2
26-05007 Staff 142 Attach 11 SPPC E-2
26-05007 Staff 142 Attach 12 Minimum Bill Sample
26-05007 Staff 142 Attach 13 Approved / Not Built Resources
26-05007 Staff 142 Conf Attach 14 CSGC / CER
26-05007 Staff 142 Conf Attach 15 NPC LOLP
26-05007 Staff 142 Conf Attach 16 NPC TOLP
26-05007 Staff 142 Conf Attach 17 SPPC LOLP
26-05007 Staff 142 Conf Attach 18 SPPC TOLP
26-05007 Staff 142 Conf Attach 19 LTER

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-18-2026
REQUEST NO:	Staff 240	KEYWORD:	wells QA34 LLESA; LTER CSGC minimum calculations recording variances accounting
REQUESTER:	Burakowski	RESPONDER:	Wells, Janet

REQUEST:

Reference: Wells Direct Q&A 34 - LLESA

Question: Ms. Wells states, "minimum billing requirements (Minimum Demand and Minimum Energy...) provide planning and revenue stability to support procurement and deliverability of energy. Minimum energy revenue that exceeds an LLESA customer's actual usage is credited to all customers through the Base Tariff Energy Rate and Deferred Energy Accounting Adjustment mechanism, consistent with existing regulatory accounting treatment."

Please provide a detailed explanation of how these differences will be tracked, recorded, and credited to customers through the BTER and DEAA mechanisms, as well as the "Minimums" relation to, collection of, or impact on the CSGC, LTER, BTGR, and public policy costs for the LLESA customers. The response should include, at a minimum, the following information regarding minimum demand and minimum energy:

- Indicate frequency the utility will perform the minimum calculations and recording of variances, such as daily, weekly, monthly, quarterly or as an annual true-up.
- Explain the process of tracking and recording/posting the variances, including any related accounting processes. Please indicate if and/or how the minimums will be used to collect/impact all rates, including the BTER, DEAA, BTGR (between GRCs), CSGC, LTER and any public policy costs. and provide detailed descriptions/walkthroughs of the processes.
- Clarify if the LTER costs and revenues related to the incremental PPAs will be included in the normal BTER related Fuel and Purchased accounts if so, how will the LTER revenue be recorded and tracked to ensure that the LTER recovers the costs of the incremental PPAs. If it is not going to be blended with the BTER Fuel and Purchased power accounts, how will it be tracked and how will the PPAs be

differentiated so that it is possible to audit that the costs are properly recorded. Will there be a balancing account for LTER(DEAA) for these incremental PPAs and the LTER revenue, if so, does this account earn carry and if so, how is it calculated and to whom does it accrue.

- Provide the specific general ledger accounts to be used, detailed descriptions/walkthroughs of the processes, including frequency, and samples journal entries for each scenario demonstrating how transactions would be recorded and impact each of the above listed rates.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

NV Energy's proposal to consider for tracking, recording, and crediting through the reconciliation of the incremental costs intended to be recovered from LLESA customers and the revenue received to cover that incremental cost include:

1. CSGC – this rate is designed to collect sufficient revenue under the minimum billing proposal to ensure all incremental costs are paid through the CIAC collected prior to any investment being included in rate base. The reconciliation, including the revenue requirement and revenue received, will be shown for the specific group of customers within each GRC. The frequency will therefore follow the frequency of filed GRCs. Please see the responses and attachments to Staff 142 and Staff 143 that demonstrate the reconciliation of revenue requirement solving for a zero overall impact to existing customers and describe the process through the white papers. Please also see the responses to Staff 217 and 218 that discuss the mechanisms available to track and determine how revenue is allocated to existing customer classes.
2. LTER – this rate is designed to collect sufficient revenue under the minimum billing proposal to ensure all incremental costs are paid through the LTER rate. Please see the response to Staff 126 that is responsive to the questions related to LTER. The reconciliation of the actual incremental costs to the revenue received will be shown for the specific group of customers within each quarterly BTER filing and as provided in the response to Staff 126 can include a separate deferral account. In the response to Staff 126, the RBTER calculations completed today are provided as an example for a mechanism that can be employed. Carry is included in the calculations and that carry would accrue to the specific deferral account identified. Please see the responses and attachments to Staff 142 and Staff 143 that demonstrate the calculation of the rate to be applied to the minimum billing requirements to collect the forecast revenue to cover the incremental costs of the specific PPAs and gas transportation costs identified as required to provide for the load needs of the large-load customers.

NV Energy's proposal for the application of the minimum demand and energy requirements to the existing rates will be tracked and recorded as follows:

3. BTGR – BTGR revenue received from minimum billing requirements and including the administrative charge will be used to allocate revenue requirement to the specific group of customers and rate class and the revenue received will be recorded to that group of customers and rate class to offset those costs.
4. BTGR (between rate cases) – BTGR revenue received between rate cases based on minimum billing requirements and the administrative charge will contribute to earnings. Assuming the existing sharing mechanisms remains in place and is not altered, earnings in excess of 30 basis points above the rate of return used to set revenue requirement would be shared with customers in the subsequent rate case. The revenue will be tracked and recorded to the appropriate rate class to offset the allocation of costs.
5. BTER/DEAA – LLESA customers pay the existing BTER/DEAA rates as updated in each quarter to reflect costs other than those collected through the LTER. The revenue will be recorded to the base rates in the same way retail customer BTER/DEAA revenue is recorded for all other customers.
6. Public program rates will be paid based on actual usage and will be credited to the specific programs based on the revenue received.
7. Specific general ledger accounts and samples of journal entries are not specifically provided in the response. Please see the workbooks attached to Staff 142 for examples of the CSGC and the existing RBTER for examples of the LTER.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-19-2026
REQUEST NO:	Staff 244	KEYWORD:	LTER updated LLESA generation; incremental PPA commercial operation
REQUESTER:	Olesky	RESPONDER:	Wells, Janet

REQUEST:

Reference: LTER

Question: Considering that the incremental PPAs reach commercial operation at different times, please explain if the LTER rate will be updated each time a PPA reaches commercial operation and starts providing generation to the LLESA customers, or if the LTER rate will initially be set using prices of all incremental PPAs, regardless of when each PPA starts providing generation to the LLESA customers.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

Yes, the LTER rate will be updated each time a PPA reaches commercial operation, and the actual costs are known based on actual output. This is true for both PPAs that are incremental to provide for the load needs of the LLESA customers as well as PPAs that reach commercial operation and therefore contribute to the embedded costs of PPAs for all customers. The LTER is designed to collect the incremental costs of the PPAs identified as needed to provide for the load needs of the LLESA customers. To reflect the incremental costs, both the actual embedded PPA costs as well as the actual incremental PPA costs will be compared and the LTER rate updated accordingly and using the balancing account identified in the response to Staff 126.

CUSTOMER SPECIFIC
NV Energy
RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-27-2026
REQUEST NO:	Staff 303 Confidential	KEYWORD:	Staff 108 conf attach 09, Staff142 conf attach 19 LTER Calculation discrepancies
REQUESTER:	Choi	RESPONDER:	Pascal, Misha (NV Energy)

REQUEST:

Reference: Staff 108/142 Follow-up: LTER Calculation

Question: ***Confidential DR***

1) In Staff 142 Conf Attach 19, the first-year cost for Fish Spring Energy Storage project of \$129,719,200 does not match the amount shown in Conf Attach 8 or Staff 108 Confidential Attach 09. Please explain the discrepancy.

2) In Staff 142 Conf Attach 19, the Companies added a new resource, Castor, to the LTER calculation, which was not included in Staff 108 Confidential Attach 09. Please explain what prompted the Companies to add this resource to the LTER calculation.

3) In Staff 108 Confidential Attach 09, the Companies listed a total of 35 customers in the LTER calculation. However, the Companies reduced the list to a total of 11 customers in Staff 142 Conf Attach 19. Please explain what prompted the Companies to update the presentation.

4) In Staff 142 Conf Attach 19, LTER Calculation Tab, the total first-year cost for all resources (\$1,089,408,875) and Gas Transportation cost (\$180,000,000) do not add up to the total amount to be recovered (\$1,157,524,532). Please explain the discrepancy.

5) In Staff 142 Conf Attach 19, the total annual long-term RFP incremental revenue required in Column I for the North (\$313,012,203) and the South (\$873,017,685)

CONFIDENTIAL

do not add up to the combined total of (\$1,157,524,532). Please explain the discrepancy of \$28,505,356 ($\$313,012,203 + \$873,017,685 - \$1,157,524,532$).

6) In Staff 142 Conf Attach 19, the Companies removed the 2032 Peak of [REDACTED] and [REDACTED] from the 2032 Peak Total. However, when calculating the allocation percentage for Gas Transportation costs (42% for the North and 58% for the South), the Companies added back the 2032 Peak of [REDACTED]. Please explain the rationale for including the 2032 Peak of [REDACTED] in the Gas Transportation cost allocation calculation.

7) In Staff 142 Conf Attach 19, LTER Calculation North Tab, Cells G18 through G26, Trego Grid is not included in the formula's denominator, causing the total percentage to exceed 100%. Similarly, LTER Calculation South Tab, Cells G18 through G26, Trego Grid is not included in the formula's denominator, causing the total percentage to exceed 100%. Please explain why Trego Grid is excluded from the denominator in these calculations.

RESPONSE CONFIDENTIAL (yes or no): Yes

ATTACHMENT CONFIDENTIAL (yes or no): Yes

Note: The confidential attachment(s) will not be available on the Company's website

JUSTIFICATION FOR CLAIM OF CONFIDENTIALITY: The response and attachment contain customer-specific information.

TOTAL NUMBER OF ATTACHMENTS: One

RESPONSE:

The Companies are providing a revised Conf Attach 19 with this response. The revised attachment corrects the items identified in parts 1, 4, 5, and 7.

1) This was an error. The Fish Springs Energy Storage first-year cost cell pulled the Southern Bighorn value, which is why the two amounts are identical on that tab. The correct value is \$17,762,857 as shown in Conf Attach 8 and Staff 108 Confidential Attach 09. The error is limited to the resource cost display column. The total revenue requirement used to calculate the LTER, \$1,157,524,532, does not pull from that cell and is unchanged. A revised Conf Attach 19 is provided with this response as Staff 303 Conf Attach 01. .

2) The LTER calculation was originally developed before the IRP resource set was finalized to meet the load needs of the Base Load Forecast. The LTER estimate presented was illustrative and developed using the resources that were known at that time. The revised calculation adds Castor now that it is included in the IRP in the Preferred Plan to meet the load needs of the Base Load Forecast.

CONFIDENTIAL

3) The original presentation was illustrative and included all potential LLESA customers before it was known which customers would execute an agreement. This mirrors the approach used for the CSGC. Google Meadows does not pay the LTER, and Amazon Data Services does not pay the long-term resource component after the sleeved resources are in service, although it contributes to gas transportation costs through a separate LTER rate. Please see the response to Staff 300.

4) This is the same error identified in Part 1. The resource subtotal reflects the incorrect Fish Springs value. It does not affect the \$1,157,524,532 used to calculate the LTER. Once Fish Springs is corrected, the resource total and gas transportation sum to the total to be recovered.

5) This was an error in the regional allocation formulas shown in the prior attachment. The revised attachment corrects the formulas so that the allocated long-term resource costs and gas transportation costs reconcile to the statewide total amount to be recovered of \$1,157,524,532.

6) The gas transportation allocation was constructed to match the allocation applied to the CSGC. That allocation is designed to assign costs to the region. Neither Google Meadows nor Amazon Data Services pays the long-term resource component of the LTER, they will pay for their respective sleeved resources. All sleeved resources are anticipated to be in service by 2032, therefore both Google Meadows and Amazon Data Services are excluded from the 2032 Peak total used to allocate PPA costs. Amazon Data Services is included in the allocation of gas transportation costs under the applicable LTER treatment. Excluding its 2032 Peak from the gas transportation denominator would shift its allocated share to the other LLESA customers. Of the methods reflected in the revised attachment, the Companies support the LTER Calculation Gas Allocation tab as the approach best supported by cost causation. That tab allocates gas transportation on a regional basis consistent with the CSGC, recognizes the embedded contribution made through the BTER within each company, and does not impose a regional allocation on the long-term PPAs. The method has been refined since the Companies first met with Staff.

The other tabs are provided to show the alternatives considered and presented to Staff on September 2, 2026, in response to previous questions. The embedded only presentation does not allocate gas transportation appropriately relative to the original calculation. The full allocation of both gas transportation and the PPAs based on the 2032 MWs in the North and South Gas tabs, which include Amazon Data Services, assigns the majority of the PPA costs to the North well beyond what those customers can reasonably use in the hours these resources produce. A third alternative, not included in the attachment, could be to allocate on a territorial basis, however, the majority of the PPA megawatts are physically located in the South, so that method would shift outsized responsibility to the South, and would not accurately reflect cost causation.

7) This is an error. The denominator began one row below the first resource and omitted Trego Grid. This column is provided for informational purposes and is not an input to the LTER calculation, so the rates on those tabs were not affected. The revised attachment corrects the denominator on both tabs.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-31-2026
REQUEST NO:	Staff 319	KEYWORD:	staff 143 supplement LTER white paper table 1 design steps long short term renew
REQUESTER:	Choi	RESPONDER:	Pascal, Misha (NV Energy)

REQUEST:

Reference: Staff 143 Supplement - LTER White Paper

Question: In Table 1 (LTER Rate Design Steps) on Page 2 of the LTER White Paper, the Companies state, "Remove the portion of long-term cost already recovered through the BTER, then divide the remaining cost by the minimum annual billing quantity to calculate the volumetric LTER."

Please clarify whether the Companies intend to remove only the long-term renewable energy contract costs already recovered through the BTER or whether short-term renewable energy contract costs would also be removed.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

Only long-term resource costs are removed. Short-term renewable energy contract costs are neither removed, nor reflected in the embedded BTER contribution. The BTER contribution is measured using the embedded long-term resource portfolio, which is developed from the renewable resource costs and generation reported by type in the Companies' Exhibit E-2, Summary of Purchased Power (filed in the annual deferred proceedings). Short-term energy purchases, including short-term firm energy and market and joint dispatch transactions, are not part of the long-term resource portfolio and do not enter the calculation. The same result applies to any short-term supply resource or portion of a short-term supply resource procured and allocated to a specific customer. Costs are specifically allocated to that customer and are recovered from the customer under its agreement rather than through the BTER.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-31-2026
REQUEST NO:	Staff 320	KEYWORD:	staff 143 supplement LTER white paper BTER contributions calculations LLESA
REQUESTER:	Venkat	RESPONDER:	Pascal, Misha (NV Energy)

REQUEST:

Reference: BTER Contribution

Question: The fifth page of the LTER White Paper (provided in a supplemental response to Staff DR 143) states, "The BTER contribution is the mechanism that recognizes the long-term resource recovery already occurring through the BTER and credits it against the assigned revenue requirement before sizing the LTER."

A. Please explain in detail the intent of the BTER Contribution in the LTER calculation and where it is explained in the filing.

B. Please explain in detail how the BTER Contribution is going to be calculated.

C. Please explain in detail whether the BTER Contribution is going to be fixed for the duration of the LLESA or whether it will be recalculated over the duration of the ESA. If the BTER Contribution will be fixed, please explain in detail why. If BTER Contribution is going to be recalculated, please explain in detail: (1) why it should be recalculated; (2) the frequency of the recalculation; and (3) the process for recalculating the BTER Contribution, and accordingly the LTER.

Please provide a written response to this DR and do not merely cite back to the white paper.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

A. The BTER contribution keeps LLESA customers within the same embedded rate structure that applies to all retail customers. Customers taking service under an LLESA remain on the otherwise applicable tariff and continue to pay the BTER, and the BTER contribution recognizes what those payments are already contributing toward long-term resource cost recovery so that the LTER recovers only the incremental amount above it. Maintaining the embedded structure allows incremental resources to be justified on an ongoing basis. Because these customers are integrated into the system rather than isolated from it, the resources acquired to serve their load are planned and operated as part of the system, and the customers continue to contribute to system costs through the rates all retail customers pay. The BTER contribution is described in Section VI of the LTER White Paper, provided as Exhibit Pascal-Direct 3 and supplemented in response to Staff DR 143, and the mechanics are contained in the workpapers provided in Staff DR 142.

B. The BTER contribution is the amount of long-term resource cost recovery a customer's BTER payments are already providing, calculated at the customer level in three steps.

First, the customer is allocated a share of the annual generation from the large-load-driven PPA resources, based on its forecast peak demand relative to the aggregate forecast peak demand of the participating LLESA customer group.

Second, that allocated generation is valued at the embedded long-term resource recovery rate. That rate is the weighted-average levelized cost of the Companies' embedded long-term resource portfolio, calculated by dividing the annual cost of those resources by their annual generation output. Going forward, the embedded cost input will be developed from the actual filed E-2 forms (submitted in the annual deferred proceedings), which provide the invoiced and billed resource costs that inform the BTER, with the resources identified in the LTER calculation separated out so the embedded figure reflects only those resources whose costs the BTER continues to recover. The embedded rate is used rather than the cost of the new PPA resources because the BTER recovers only the embedded portfolio, and the new PPA resources are recovered through the LTER.

Third, the resulting dollar amount is divided by the customer's minimum annual billing quantity to express the BTER contribution on a per-MWh basis, which is the same basis on which the LTER is charged. The LTER is then the assigned annual revenue requirement less the BTER contribution, divided by the minimum annual billing quantity.

As described in the response to Staff 126, the third input that dictates the calculation is the updated embedded cost of renewable PPAs not included in the incremental PPAs identified to meet the Base Load Forecast, which is what ensures the LTER is calculated on the incremental cost above what the large load customers are already paying through the BTER.

C. The BTER contribution will not be fixed for the term of the LLESA. It will be recalculated.

(1)As stated in the response to Staff 126, the incremental costs to serve the large load requests will be tracked separately, similar to how the Renewable Base Tariff Energy Rate is tracked today,

and the LTER will therefore need to change throughout the life of the contract. The BTER contribution is a direct input to that rate. It is a function of the rate at which the BTER is recovering embedded long-term resource cost, and both the BTER and the composition and cost of the embedded portfolio change over time. Holding the contribution fixed while the BTER continues to change would cause the credit to diverge from what the customer is actually paying through the BTER, producing either over-recovery or under-recovery from the LLESA customer that would need to be resolved. Recalculation is also what preserves the purpose described in response to part A. The credit ensures these customers remain within the embedded rate structure; to do so, it tracks the embedded rate as that rate moves.

(2) Quarterly, in conjunction with the BTER and DEAA updates. As described in the response to Staff 126, the reconciliation of quarterly costs and revenues would be provided at each quarterly filing, and the LTER rate would be updated similar to how the RBTER is updated and calculated each quarter.

(3) At each quarterly calculation, the embedded long-term resource recovery rate is redeveloped from the embedded resource costs reflected in the filed E-2 forms (which include monthly updates), excluding the resources recovered through the LTER. The updated embedded rate is applied to the customer's allocated portion of embedded PPA generation, and the resulting amount is divided by the minimum annual billing quantity to produce the revised BTER contribution. The revised BTER contribution is deducted from the assigned revenue requirement for the LLESA PPAs to produce the revised LTER. The inputs that dictate the calculation are the actual costs of the PPAs plus the fixed gas pipeline expansion costs, the minimum billing determinants as proposed in the LLESA from the large load ramp requests, and the updated embedded costs described above. Any calculated differential rate, similar to how the DEAA is calculated today, could be included in the LTER in effect for the following quarter, with carry accruing to the associated deferral account. The methodology does not change. Only the inputs are updated.

Consistent with the response to BCP 6-30, the amount ultimately required to recover incremental resource costs is determined by the actual invoices associated with those resources, and the LTER is updated over time to reflect those actual costs and collections.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-31-2026
REQUEST NO:	Staff 321	KEYWORD:	staff 143 supplement LTER white paper embedded long-term portfolio cost LCOE all
REQUESTER:	Venkat	RESPONDER:	Wells, Janet

REQUEST:

Reference: Embedded long-term portfolio cost

Question: The sixth page of the LTER White Paper (provided in a supplemental response to Staff DR 143) states, "The rate at which long-term resources are currently recovered through the BTER is represented in the underlying rate model by a levelized cost of energy ("LCOE") of [redacted] per MWh. This is the weighted-average LCOE of NV Energy's embedded long-term resource portfolio - including existing geothermal, hydroelectric, solar, wind, and approved-not-yet-built resources -calculated by dividing the annual cost of those resources by their annual generation output."

Please explain in detail why NV Energy's embedded long-term portfolio cost includes all types of renewable resources instead of only solar and battery resources.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

The intent of the LTER is to identify any generation resources that are only required to provide generation and energy to the Base Load Forecast and would not be needed to meet the retail load needs of the Base Minus Load Forecast. The resource type is not the primary consideration for inclusion but rather the fact that the resources are purchased power agreements and will flow through the BTER and DEAA. Because LLESA customers will pay the fully bundled BTER and

DEAA, the incremental costs need to consider the embedded PPAs included in the BTER and DEAA. While in this IRP, the PPAs allocated to LLESA customers are solar and battery, if there had been other PPAs allocated to the large load requests, they would have been included in the calculation of the incremental rate.

NV Energy

RESPONSE TO INFORMATION REQUEST

DOCKET NO:	26-05007	REQUEST DATE:	08-06-2026
REQUEST NO:	Prologis 16	KEYWORD:	costs LLESA CSGC PPA LTER recovery mechanism
REQUESTER:	Ledford	RESPONDER:	Wells, Janet

REQUEST:

Please provide a table identifying each material cost associated with serving LLESA Customers and the charge or other mechanism through which NV Energy proposes to recover that cost. The table should separately identify:

- a. Thermal generation costs included in the CSGC;
- b. Transmission costs associated with thermal generation and included in the CSGC;
- c. Utility-owned renewable-generation costs;
- d. Utility-owned energy-storage costs;
- e. Transmission or interconnection costs associated with utility-owned renewable generation or storage;
- f. PPA costs included in the LTER;
- g. Gas-pipeline expansion costs included in the LTER;
- h. Other transmission or interconnection costs associated with LLESA service;
- i. Customer-specific facility costs;
- j. Fuel and purchased-power costs not included in the LTER; and
- k. Any other material cost associated with LLESA service. For each cost, identify:
 1. The applicable recovery mechanism;
 2. The amount or estimated amount;
 3. The basis for attributing the cost to LLESA Customers; and
 4. Whether any portion of the cost may also be recovered through another rate or charge.

RESPONSE CONFIDENTIAL (yes or no): No

TOTAL NUMBER OF ATTACHMENTS: None

RESPONSE:

NV Energy does not have the information compiled in the form requested. However, the following narrative responds to the substance of the question:

LLESA Customers will pay all published fully bundled rates as applicable under the GS3/LGS3 tariffs. The material costs included in fully bundled rates are the subject of every general rate case, Base Tariff Energy Rate and Deferred Energy and Accounting Adjustment quarterly filing, annual Deferred Energy and Accounting Adjustment filing, applicable regulatory asset filings, and any new application presenting a request for an approved rate to the Commission. The material costs for current rates are included in each of the most recent cases listed above.

Specifically, for the LLESA Customers, in addition to the fully bundled rates, three additional rate categories are requested for approval in the form LLESA, the CSGC, the LTER, and the administrative fee. The intent of the additional rate components is to capture the incremental costs of the resources required to meet the needs of large load requests included in the Base Case Load Forecast supporting the Preferred Plan. The CSGC is a fixed monthly charge that will be reflected through BTGR rates and, therefore, reconciled through GRCs. The LTER is a per kWh rate reflected as an incremental BTER rate and will be reflected in each quarterly BTER/DEAA filing. The administrative fee is a per kWh charge that will be reflected through BTGR rates and, therefore, reconciled through GRCs.

Please also see the following data requests that have provided responses to the categories, costs, and/or recovery mechanisms associated with the requests in the current IRP: Staff 10, Staff 11, Staff 52, Staff 64, Staff 104, Staff 106, Staff 126, Staff 135-136, Staff 140, Staff 151-152, Staff 158, and Staff 201 BCP 2-05, BCP 2-15, BCP 2-16, BCP 4-19 Supplement, BCP 6-25 through BCP 6-37

EXHIBIT PASCAL-REBUTTAL-3

Nevada Power Company d/b/a NV
Energy and Sierra Pacific Power
Company d/b/a NV Energy

Long-Term Energy Rate White Paper

Long-Term Energy Rate for Large Loads

I. Overview and Policy

Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy (together, “NV Energy”) has experienced a step change increase in requests for large load customer service. These loads differ from ordinary or historic customer growth in magnitude, concentration, and timing, and they directly drive the need for incremental long-term generation, storage, firm capacity, and related transmission investments.

The Long-Term Energy Rate (“LTER”) is designed to align recovery of the incremental long-term purchase power resource costs with the customers whose load causes them to be incurred. Without the LTER, the identified costs would otherwise flow through the Base Tariff Energy Rate (“BTER”) and Deferred Energy Accounting Adjustment (“DEAA”) mechanism and be recovered from all customers on a flat dollar per kWh basis. Customers subject to the LTER will continue to pay the BTER and therefore continue to contribute to embedded system costs. The LTER is an additional charge that recovers only the portion of long-term resource cost remaining after amounts already recovered through the BTER are applied.

This structure is consistent with cost-causation principles. Traditional base rates are designed to recover embedded system costs that benefit a broad and diversified customer base. By contrast, the generating resource additions reflected here are associated with discrete, incremental large load customers. Recovering those costs through a separate incremental charge avoids shifting the risk of large load additions to other customers while preserving the customer contribution mechanisms already made through existing tariff rates.

II. LTER Rate Design Framework

The illustrative LTER calculation below is derived by averaging the representative load anticipated to be applicable for the large load electric service agreement (“LLESA”) including peak demands, resource allocations, and cost assignments as presented in the supporting workpaper, and is developed in four sequential steps as illustrated in Table 1¹. Each step is individually detailed in one of the following sections, and each section presents the inputs, methodology, and the corresponding values for an illustrative customer.

¹ Illustrative values presented in this section and throughout are rounded from more granular calculations contained in the supporting workpaper. As a result, minor differences may occur when reproducing certain intermediate values.

Table 1. LTER Rate Design Steps

Step	Section	Purpose
1	III. Identifying Large Load Driven Resources	Identify the long-term resources whose costs are caused by, and assigned to, incremental large load customers.
2	IV. Determining the Annual Revenue Requirement	Calculate the sum total of the first-year cost of those resources and allocate it to each participating customer using the customer's share of forecast 2032 peak demand.
3	V. Establishing the Minimum Annual Billing Quantity	Convert each customer's peak demand into the minimum annual MWh used to spread the assigned revenue requirement to all relevant customers.
4	VI. Applying the BTER Revenue and Calculating the LTER	Remove the portion of long-term cost already recovered through the BTER, then divide the remaining cost by the minimum annual billing quantity to calculate the volumetric LTER.

The LTER is treated exactly the same as BTER revenue for regulatory accounting purposes. During BTER and DEAA updates, the LTER will be updated to reflect any necessary changes in the BTER if needed.

III. Step 1 — Identifying Large Load Driven Resources

The first step is to identify the resources whose addition is driven by incremental large load customers. Power purchase agreements (“PPAs”), necessitated by large load customers, that would traditionally be added into the BTER on behalf of all customers are segmented out and assigned to the participating large load customers. In addition to those PPAs, the Companies include the gas transportation demand cost associated with the thermal generation units whose capital costs are recovered through the customer-specific generation charge (“CSGC”).

The PPAs consist of the long-term renewable, storage, and firm-capacity resources procured to serve the incremental large load. They are listed individually on the Large Load Only Resources tab of the supporting workpaper.

IV. Step 2 — Determining the Annual Revenue Requirement

Once the large load driven resources have been identified, the annual revenue requirement is calculated by summing the first-year cost of those resources and the associated annual gas transportation amount. That total is then allocated to each participating customer using the customer's share of forecast 2032 peak demand, consistent with the CSGC allocation.

Expressed algebraically:

$$\text{Total Revenue Requirement} = \text{First-year cost of large load specific resources} + \text{Annual gas transportation}$$

$$\text{[REDACTED]} = \text{[REDACTED]}$$

Customer allocation: each customer's assigned revenue requirement equals its allocation share $\times$ total revenue requirement [REDACTED], where the allocation share is the customer's 2032 peak MW divided by the total included 2032 peak demand of 2,572 MW.

Table 2. Annual Revenue Requirement and Allocation to Illustrative Customer

Item	Value
First-year cost of large load specific resources	[REDACTED] million
Annual gas transportation	[REDACTED] million
Total annual revenue requirement	[REDACTED]
Illustrative Customer 2032 peak demand	101 MW
Total included 2032 peak demand	2,572 MW
Illustrative Customer allocation share (101 $\div$ 2,572)	3.9%
Assigned annual revenue requirement (3.9% $\times$ [REDACTED])	[REDACTED] million

V. Step 3 — Establishing the Minimum Annual Billing Quantity

A minimum annual billing quantity is established for each customer using the methodology set forth in the Large Load Electric Service Agreement ("LLESA"). Under that methodology, the customer's Maximum Demand is adjusted by two LLESA-specified percentages: 90 percent for expected peak demand and 80 percent for load factor. Multiplying those two percentages together yields a combined factor of 72 percent of Maximum Demand, which represents the customer's expected average annual demand for purposes of calculating the minimum billing quantity. That demand level is then applied across 8,760 hours per year to determine the minimum annual billing quantity in MWh.

The minimum annual billing quantity is the volume across which the customer's assigned revenue requirement is recovered.

$$\begin{aligned}\text{Minimum Annual Billing Quantity} &= \text{Peak MW} \times 0.72 \times 8,760 \\ 636,440 \text{ MWh} &= 101 \text{ MW} \times 0.72 \times 8,760 \text{ hrs.}\end{aligned}$$

Table 3. Minimum Annual Billing Quantity for Illustrative Customer

Input	Value
Forecast 2032 peak demand	101 MW
Minimum Billing factor	72%
Hours per year	8,760
Minimum annual billing quantity	636,440 MWh

VI. Step 4 — Applying the BTER Revenue and Calculating the LTER

Step 4 has two parts. First, revenue is applied for the portion of long-term resource cost that the customer already pays through the BTER. Second, the remaining unrecovered amount is divided by the minimum annual billing quantity to produce the volumetric LTER.

A. BTER Contribution Derivation

Customers subject to the LTER continue to pay the BTER, just like other customers. The BTER is structured to recover the full cost of NV Energy’s embedded long-term renewable portfolio, and a portion of every BTER dollar paid by any customer is therefore already flowing toward long-term resource cost recovery. If the LTER were sized to recover the full assigned annual revenue requirement of the new long-term PPA resources without recognizing this fact, the customer would be over contributing to long-term resource cost recovery both through the BTER and again through the LTER. The BTER contribution is the mechanism that recognizes the long-term resource recovery already occurring through the BTER and credits it against the assigned revenue requirement before sizing the LTER.

The credit is built up at the customer level in three steps. First, the customer is allocated a share of the new long-term PPA generation. Second, that allocated generation is valued at NV Energy’s embedded long-term resource recovery rate to produce a dollar amount of BTER contribution. Third, the dollar amount is divided by the customer’s minimum annual billing quantity to express the BTER contribution as a per-megawatt-hour rate compatible with the LTER calculation.

Step 1: Allocate the customer’s share of new long-term PPA generation. The large load driven PPA resources identified in Section III produce approximately [REDACTED] MWh of energy per year in total. Each participating customer is allocated a share of that generation based on its 2032 peak demand share, consistent with the allocation methodology described in Step 2 to assign the annual revenue requirement. For the illustrative customer with a 101 MW peak demand, the allocation share is 3.9 percent ($101 \div 2,572$ MW), which corresponds to [REDACTED] MWh per year of allocated long-term PPA generation. In the supporting workpaper this allocated quantity is labeled “LTE Resources Hours” and represents the portion of the customer’s minimum annual billed energy that is matched to new long-term PPA output. The remaining 342,056 MWh of the customer’s minimum annual billing quantity, labeled “MWh to Grid,” is served by the rest of the system.

Step 2: Value the allocated generation at the embedded long-term resource recovery rate.

The rate at which long-term resources are currently recovered through the BTER is represented in the underlying rate model by a levelized cost of energy (“LCOE”) of [REDACTED] per MWh. This is the weighted-average LCOE of NV Energy’s embedded long-term resource portfolio—including existing geothermal, hydroelectric, solar, wind, and approved-not-yet-built renewable resources—calculated by dividing the annual cost of those resources by their annual generation output. Conceptually, [REDACTED] per MWh is the prevailing rate at which the BTER recovers long-term resource cost per MWh of long-term resource generation in all hours. The embedded LCOE—not the LCOE of the new PPA resources—is the appropriate rate to use because the BTER continues to recover only the embedded portfolio. This contribution of revenue received from the current BTER is then applied towards the new long-term resources. In this way the new PPA resources do not affect the BTER charges. The embedded rate is therefore the rate at which the customer’s BTER payment is actually contributing toward long-term resource recovery.

Applying [REDACTED] per MWh to the illustrative customer’s allocated [REDACTED] MWh of long-term PPA generation yields [REDACTED] million per year. This is the annual dollar amount of long-term resource cost recovery that the customer’s BTER payments are deemed to be contributing.

Step 3: Express the BTER contribution as a per-megawatt-hour rate. Because the LTER itself is a volumetric charge per MWh of customer billed energy, the BTER contribution must also be expressed on a per-MWh-of-customer-billed-energy basis in order to be deducted from the assigned revenue requirement. Dividing the [REDACTED] million annual BTER contribution by the illustrative customer’s minimum annual billing quantity of 636,440 MWh yields a BTER revenue contribution rate of [REDACTED] per MWh.

This per-megawatt-hour rate can equivalently be expressed as the long-term PPA share of the illustrative customer’s minimum annual MWh ($[REDACTED] \div 636,440 = [REDACTED]$ percent) multiplied by the [REDACTED] embedded LCOE. That formulation, although mathematically identical, is a derived shorthand rather than the underlying calculation: the [REDACTED] percent is the result of the customer’s peak-share allocation of new PPA generation, not an independent input.

The result of these three steps is that the customer participates in long-term resource recovery at the same per-megawatt-hour rate as is being recovered through the BTER for the embedded portfolio, with the LTER recovering only the cost increment attributable to the new PPA resources beyond that base level.

Step 1: Allocated PPA MWh = Customer Allocation Share × Total Annual PPA Generation

$$[REDACTED] \text{ MWh} = 3.9\% \times [REDACTED]$$

Step 2: BTER Contribution = Allocated PPA MWh × Embedded LCOE

$$[REDACTED] \text{ million} = 294,385 \times [REDACTED]$$

Step 3: BTER Revenue Rate = BTER Contribution ÷ Minimum Annual MWh

$$[REDACTED] / \text{MWh} = [REDACTED] \text{ million} \div 636,440 \text{ MWh}$$

Table 4. BTER Contribution Derivation for Illustrative Customer

Item	Value
Total annual long-term PPA generation	██████████ MWh
Customer 2032 peak demand	101 MW
Total included 2032 peak demand	2,572 MW
Customer allocation share (101 ÷ 2,572)	3.9%
Step 1: Allocated PPA MWh	██████████ MWh
Embedded long-term resource LCOE	██████████ /MWh
Step 2: BTER contribution (██████████ × ██████████)	██████████ million
Minimum annual billing quantity	636,440 MWh
Step 3: BTER revenue rate (██████████ ÷ 636,440)	██████████ /MWh

B. Calculating the Final LTER

The BTER contribution is deducted from the customer's assigned annual revenue requirement to produce the net amount to be recovered through the LTER. That net amount is then divided by the minimum annual billing quantity to convert it to a volumetric charge.

$$\text{LTER} = (\text{Assigned Revenue Requirement} - \text{BTER Contribution}) \div \text{Minimum Annual MWh}$$

$$\$36.90/\text{MWh} = (\text{██████████} - \text{██████████}) \div 636,440 \text{ MWh}$$

Table 5. Final LTER Calculation for Illustrative Customer

Item	Value
Assigned annual revenue requirement (Step 2)	██████████ million
Less: BTER contribution (Step 4A)	(██████████ million)
Net amount to be recovered through the LTER	\$23.50 million
Minimum annual billing quantity (Step 3)	636,440 MWh
Illustrative LTER	\$36.90/MWh

The same calculation framework applies across all LTER customers. Because the assigned costs and the minimum annual billing quantity both derive from the same peak-based allocation, the illustrative incremental charge resolves to a common per-megawatt-hour adder for the included LTER customer group. Changes to the applicable aggregated large customer load, minimum energy billing requirements, individual customer demand or resource costs will impact the resulting rate amount. The methodology and rate structure described in this white paper will remain unchanged — only the underlying inputs will be updated. The rate will be finalized after the form LLESA is approved, the associated resource portfolio is confirmed, and the applicable final customer loads and peak demands are established.

VII. Conclusion

The LTER assigns the cost of incremental long-term resources to the customers whose demand necessitates those resources, while preserving the contribution those customers continue to make through the BTER toward embedded system costs. Using the forecast load allocations and minimum billing quantities reflected in the illustrative rate development, the resulting incremental charge is \$36.90/MWh. Applied in addition to the BTER, that structure provides a practical and transparent mechanism for recovering the incremental long-term cost of serving large load customers without shifting those costs to the general body of customers.

AFFIRMATION

Pursuant to the requirements of NRS 53.045 and NAC 703.710, MISHA PASCAL, states that he is the person identified in the foregoing prepared testimony and/or exhibits; that such testimony and/or exhibits were prepared by or under the direction of said person; that the answers and/or information appearing therein are true to the best of his knowledge and belief; and that if asked the questions appearing therein, his answers thereto would, under oath, be the same.

I declare under penalty of perjury that the foregoing is true and correct.

Date: October 6, 2026


MISHA PASCAL