BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a NV Energy, filed under Advice Letter No. 557, to revise Tariff No. 1-B to modify Optional Load Management and Automation Services Rider Schedule OLM-AS and establish Energy Grid Services Rider Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C to support demand response programs and broader load flexibility programs approved in Docket No. 24-05041.	)	Docket No. 25-10012
Application of Sierra Pacific Power Company d/b/a NV Energy, filed under Advice Letter No. 684-E, to revise Electric Tariff No. 1 to modify Optional Load Management and Automation Services Rider Schedule OLM-AS and establish Energy Grid Services Rider Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C to support demand response programs and broader load flexibility programs approved in Docket No. 24-05041.	)	Docket No. 25-10013

At a general session of the Public Utilities Commission of Nevada, held at its offices on August 11, 2026

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

ORDER

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

I. INTRODUCTION

On October 14, 2025, Nevada Power Company d/b/a NV Energy ("Nevada Power") filed with the Public Utilities Commission of Nevada ("Commission") an application, docketed as Docket No. 25-10012, filed under Advice Letter No. 557, to revise Tariff No. 1-B to modify Optional Load Management and Automation Services Rider Schedule OLM-AS and establish Energy Grid Services Rider ("GSR") Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C to support demand response programs and broader load flexibility programs approved in Docket No. 24-05041.

On October 14, 2025, Sierra Pacific Power Company d/b/a NV Energy ("Sierra" and, together with Nevada Power, "NV Energy") filed with the Commission an application, docketed as Docket No. 25-10013, filed under Advice Letter No. 684-E, to revise Electric Tariff No. 1 to modify Optional Load Management and Automation Services Rider Schedule OLM-AS and establish Energy Grid Services Rider Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C to support demand response programs and broader load flexibility programs approved in Docket No. 24-05041.

II. SUMMARY

The Commission approves the applications, as modified by this Order.

III. PROCEDURAL HISTORY

- NV Energy filed the applications pursuant to the Nevada Revised Statues ("NRS") and the Nevada Administrative Code ("NAC") Chapters 703 and 704, including, but not limited to, NRS 704.100 and NAC 703.400.

- The Regulatory Operations Staff of the Commission ("Staff") participates as a matter of right pursuant to NRS 703.301.

- On October 17, 2025, in Docket Nos. 25-10012 and 25-10013, the Commission issued notices of application to revise tariff.

- On November 12, 2025, in Docket Nos. 25-10012 and 25-10013, Solar Energy Industries Association ("SEIA"), Advanced Energy United ("United"), and Solar United Neighbors ("SUN," and, together with SEIA and United, "Co-Interveners") filed joint petitions for leave to intervene ("PLTI").

- On November 20, 2025, in Docket Nos. 25-10012 and 25-10013, the Commission issued notices of prehearing conference.

- On November 25, 2025, in Docket Nos. 25-10012 and 25-10013, the presiding officer issued orders granting Co-Interveners' joint PLTIs.

- On December 4, 2025, the presiding officer held prehearing conferences in Docket Nos. 25-10012 and 25-10013. NV Energy, Co-Interveners, and Staff appeared. Consolidation of the two dockets was discussed. The parties indicated a desire to work toward a stipulation. The presiding officer continued the consolidated prehearing conference until January 13, 2026.

- On December 9, 2025, the presiding officer issued Procedural Order No. 1, which consolidated the two dockets.

- On January 13, 2026, the presiding officer held a continued prehearing conference. NV Energy, Co-Interveners, and Staff appeared. A procedural schedule was discussed. The presiding officer continued the prehearing conference until February 10, 2026

- On January 21, 2026, the presiding officer issued Procedural Order No. 2.

- On February 10, 2026, the presiding officer held a continued prehearing conference. NV Energy, Co-Interveners, and Staff appeared. A revised procedural schedule was discussed. The presiding officer continued the prehearing conference until April 28, 2026.

- On February 13, 2026, the presiding officer issued Procedural Order No. 3.

- On April 28, 2026, the presiding officer appeared briefly on the record to continue the continued prehearing conference to May 20, 2026.

- On May 21, 2026, the presiding officer issued Procedural Order No. 4, which vacated the continued prehearing conference.

- On May 26, 2026, the Commission issued a notice of hearing.

- On May 28, 2026, the presiding officer issued Procedural Order No. 5.

- On June 23, 2026, the presiding officer held a hearing. NV Energy, Co-Interveners, and Staff appeared. Evidence was taken.

IV. NV ENERGY'S PROPOSALS

1. NV Energy states that the Optional Load Management and Automations Services ("OLM-AS") Schedule is a tariff rider that was developed to support specific demand response program ("DRP") approaches for residential and small commercial customers. (Exhibit 100 at 47.)[1]

2. NV Energy states further that it proposes updating Schedule OLM-AS to account for changes in device types, rates, and programs since initial adoption of the schedule in 2011. (*Id.* at 49-50.)

3. NV Energy states that it proposes a new Energy Grid Services Rider ("Schedule GSR-E"), which sets forth the performance-based calculations, methods, and parameters that are

[1] Exhibit 100 is Nevada Power's application, and Exhibit 101 is Sierra's application. For ease of reference, this order cites only to Exhibit 100 because the two applications are functionally identical. Furthermore, citations of Exhibit 100 refer to the page numbers of the PDF and not to any page numbers of documents contained in Exhibit 100.

used to determine an energy (in kilowatt-hours) credit paid to customers for participating in a load flexibility event. (*Id.* at 63.)

4. NV Energy states that it also proposes a new Capacity Grid Services Rider ("Schedule GSR-C" and, together with Schedule GSR-E, "GSR tariffs"), which sets forth the performance-based calculations, methods, and parameters that are used to determine a capacity (in kilowatts, or "kW") credit paid to customers for their kW reduction capability derived from participation in load flexibility events. (*Id.* at 68.)

V. CO-INTERVENERS' PROPOSALS

A. GSR Compensation

Co-Interveners' Position

5. Co-Interveners recommend modifying the proposed GSR tariffs to allow customers to assign GSR compensation to third-party aggregators, third-party owners, or original equipment manufacturers of the participating distributed energy resource ("DER"). (Ex. 400 at 5-6, 14-16.)

NV Energy's Rebuttal Position

6. NV Energy argues that the proposed language is neither comprehensive nor required at this time considering the current state of technological, commercial, and wholesale market participation maturity. (Ex. 103 at 9.)

7. NV Energy states that, from a technology standpoint, the NV Energy Distributed Energy Resource Management System ("DERMS") Phase 1B(i) software code and associated business processes are not currently designed to pay third parties and track customer assignment to third parties. (*Id.*) NV Energy states further that within a few years the process to track and pay a single third party might be possible, but multiple payments to multiple third parties would

require significant upgrades and adoption of a seamless and affordable information exchange. (*Id.* at 9-10.)

8. NV Energy states that, from a commercial standpoint, the proposed GSR tariffs do not at all restrict a customer from entering into agreements with third parties. (*Id.* at 10.) NV Energy affirms that customers should always have the right to enter into agreements with third parties, and NV Energy would recommend that such agreements have full customer transparency and appropriate customer protections sanctioned by law. (*Id.*)

9. NV Energy states that, from a wholesale market participation standpoint, the proposed language is premature without discussion and clarification regarding third-party aggregation in Nevada in the context of the Energy Imbalance Market and the Extended Day-Ahead Market of the California Independent System Operator ("CAISO"). (*Id.* at 11-12.)

Commission Discussion and Findings

10. The Commission finds that the Co-Interveners proposed language regarding third-party aggregators, third-party owners, or original equipment manufacturers is not necessary at this time. The GSR tariffs do not restrict a customer from entering into separate agreements on their own with third parties. Further consideration of these concepts would, at a minimum, require upgrades to DERMS and potential statutory changes. These concepts would better be developed in a future integrated resource plan ("IRP") in conjunction with a holistic consideration of third-party aggregation in Nevada, including what market may exist and costs to ratepayers.

B. Avoided Costs for Capacity

Co-Interveners' Position

11. Co-Interveners argue for confirmation, or modification of the proposed GSR tariffs, that avoided costs for energy and generation, transmission, and distribution capacity are based on the most accurate and recent data available. (Ex. 400 at 5-6, 27-29.)

NV Energy's Rebuttal Position

12. NV Energy states that the default values for capacity resource rates, avoided costs of generation, and distribution node capacity rates have been removed and that the process to determine the values now fully resides within the context of an IRP-related filing. (Ex. 103 at 6-7.)

Commission Discussion and Findings

13. The Commission finds that NV Energy is correct. The process to determine the default values for capacity resource rates, avoided costs of generation, and distribution node capacity rates occurs in the context of an IRP-related filing and does not need to be included in the GSR tariffs.

C. Baseline Methodologies

Co-Interveners' Position

14. Co-Interveners argue that the proposed GSR tariffs should allow baseline methodologies to be defined in program participation agreements utilizing technology-specific industry best practices. (Ex. 400 at 5-6, 29.)

NV Energy's Rebuttal Position

15. NV Energy argues that the proposed GSR tariffs already accommodate the Co-Interveners' recommendation via the definition of Customer Specific Baseline ("CSB") Energy. (Ex. 103 at 7.) NV Energy also argues that the Co-Interveners may not have fully recognized

why the Default CSB Methodology special condition is required: The definition of CSB Energy specifically already calls out that a CSB Methodology as defined in Program rules or a Participation Agreement can be used. (*Id.* at 7-8.)

Commission Discussion and Findings

16. The Commission finds that the Co-Interveners proposed language in this section is unnecessary due to GSR tariffs' use of the Default CSB Methodology special condition.

D. Performance Compensation Rates

Co-Intervener's Position

17. Co-Interveners argue that the proposed GSR tariffs should allow customers to lock in the performance compensation rates in effect at the time of enrollment for a period of five years. (Ex. 400 at 5-6, 29-30.)

NV Energy's Rebuttal Position

18. NV Energy believes this decision is better left to stakeholders in the context of a resource plan filing related to either program rules or the longevity of the approved key parameters. (Ex. 103 at 8.) NV Energy is also concerned that customers may be locked out of upside gains if capacity rates rise over time. (*Id.*)

Commission Discussion and Findings

19. The Commission finds that performance compensation rates and the parameters of this issue are better addressed in an IRP where they can be fully vetted. However, as a general note, locking in rates for performance compensation for an extended period may be problematic in evaluating the efficacy of fledgling proposals during challenging economic conditions and changing costs to serve electric customers.

E. Data Exchange Platform

Co-Interveners' Position

20. Co-Interveners argue that the Commission should require NV Energy to implement an off-the-shelf data exchange platform that enables secure, frictionless, electronic sharing of customer data with customers and third parties, subject to customer consent and authorization. (Ex. 400 at 6.)

NV Energy's Rebuttal Position

21. NV Energy argues that this recommendation is far beyond the scope of these dockets, and that it is not at all required to successfully implement the proposed GSR tariffs or load flexibility programs ("LFPs"). (Ex. 103 at 17.) NV Energy argues further that access to customer smart meter data in the form recommended by Co-Interveners is much more relevant in the context of fully deregulated competitive electricity markets where competitive energy retailers are competing for customer retail rate business and looking to offer combined electricity rates and DER technology treatments. (*Id.*) NV Energy states that, for the time being, this is its role for all customers except distribution-only customers under NRS Chapter 704B. (*Id.*)

Commission Discussion and Findings

22. The Commission finds that consideration of implementation in Nevada of a data exchange platform is beyond the scope of this proceeding. This issue requires a great deal more information for consideration; it is unclear what "secure, frictionless, electronic sharing of customer data with customers and third parties" would mean in practice and not as merely reflective of an aspirational goal or requirement.

F. Inclusion of Virtual Power Plant ("VPP") in Next IRP

Co-Interveners' Position

23. Co-Interveners argue that the Commission should require NV Energy to include in the next IRP Supply Plan a VPP resource type, along with narrative and appropriate accounting, that accounts for VPP capacity and energy alongside other supply resources and cross-references applicable utility programs in the Demand-Side Management ("DSM"), Distributed Resources ("DRP"), Transportation Electrification ("TEP"), and other relevant Plans. (Ex. 400 at 6.)

NV Energy's Rebuttal Position

24. NV Energy argues that this recommendation is also far beyond the scope of these dockets, and that it is not at all required to successfully implement the proposed GSR tariffs and LFPs. (Ex. 103 at 18.) NV Energy argues further that this is an IRP issue that should be addressed in an IRP filing. (*Id.*)

Commission Discussion and Findings

25. The Commission declines to order NV Energy to include a VPP resource type in its next IRP. The issue is beyond the scope of the GSR tariffs, and the Commission has insufficient information to determine whether a VPP is a viable resource option for Nevada.

G. Cost Recovery for GSR Performance Compensation

Co-Interveners' Position

26. Co-Interveners argue that the Commission should consider requiring, in the appropriate docket, that cost recovery for GSR performance compensation occur through the Base Tariff Energy Rate ("BTER") rather than the DSM or TEP budget. (Ex. 400 at 6, 25-26.)

NV Energy's Rebuttal Position

27. NV Energy recommends more in-depth evaluation of an approach that would treat a payment under Schedule No. GSR-C as a capital investment—potentially with critical facility status—to be recovered via the "Base Tariff Generation Rate"[2] due to NV Energy's role in using Schedule No. GSR-C to build utility-administered VPP assets. (Ex. 103 at 18-19.)

Commission Discussion and Findings

28. The Commission declines to modify the methodology for cost recovery as it relates to GSR performance compensation. Neither the Co-Interveners' position nor NV Energy's position take into consideration how the BTER or Base Tariff General Rate are calculated and applied in comparison to how DSM costs are presently recovered. Pursuant to NAC 704.9523, DSM program costs are recovered in addition to an amount equal to the costs multiplied by the electric utility's authorized overall rate of return grossed up for taxes applicable to the utility's equity portion of the authorized rate of return. DSM costs are recovered by rate class through rates which are determined by allocating the costs in the manner approved by the Commission in the most recent general rate case of the electric utility. Presently, the allocation to rate classes is via the generation and energy allocator determined in the general rate case. Allowing recovery through the BTER results in these DSM costs being a part of a single rate for residential and a single rate for non-residential for NPC, and a single overall rate for SPPC. In addition, DSM program costs are recovered from all ratepayers in a line-item rate on bills reflecting the public policy nature of the charges. If the DSM costs were included in the BTER, then they would become part of the calculation against which net metering is applied and potentially further exacerbate any calculated subsidy. Lastly, given that the DSM costs are

[2] *Sic.*

already multiplied by the grossed-up rate of return, this is effectively equivalent to recovering rate base through general rates.

H. Proposed Tariff Redlines

Co-Interveners' Position

29. Co-Interveners propose adding tariff language guaranteeing that customers may elect payment after measured performance. (Ex. 400 at 29-30.)

30. Co-Interveners propose adding explicit definitions for "Third Party Aggregator" and "Assignee." (*Id.* at Ex. A.)

31. Co-Interveners propose amending Load Flexibility Event parameters to include number, duration, and frequency of events per year, and clarify the averaging method for Market Price at the External Load Aggregation Point. (*Id.* at 31.)

NV Energy's Rebuttal Position

32. Regarding payment election, NV Energy states that the tariffs already address Co-Interveners' concern or the proposed updates from NV Energy and Staff largely accommodate Co-Interveners' stated concern. (Ex. 103 at 8-9.)

33. Regarding the definitions of "Third Party Aggregator" and "Assignee," NV Energy recommends that these types of question be explored in the workshops that will take place under Docket No. 23-10019 to examine how best to approach Nevada DERs and demand side resources ("DSR") with respect to the CAISO market as discussed in the April 3, 2026, Order in Docket No. 25-10025, paragraph 140. (*Id.* at 11-12.)

34. Regarding load flexibility, NV Energy states that it has incorporated very similar redlines to those recommended by the Co-Interveners into the Market Price special condition in Schedule No. GSR-E, in addition to the changes recommended by Staff. (*Id.* at 12.) NV Energy states further that the prices currently posted on NV Energy's Federal Energy Regulatory

Commission OASIS website[3] under "EIM LAP Index Prices" are load-weighted hourly averages of the 5-minute Locational Marginal Prices solved by CAISO for the Real Time Dispatch market. (*Id.*)

Commission Discussion and Findings

35. The Commission finds that NV Energy adequately addressed on rebuttal that the recommendations of the Co-Interveners in this section are currently reflected in the modified language of the GSR tariffs. Further, the Commission agrees that Docket No. 23-10019 is an appropriate place to examine how best to approach Nevada DERs and DSR with respect to the CAISO market.

VI. STAFF'S PROPOSALS

A. Staff's General Position

36. Staff states that, in general, it supports the proposed schedules. (Ex. 400 at 2.) Staff states further that it proposes some modifications.

B. Staff's Proposed Modifications

Staff's Position

37. Staff states that its first proposed modification reflects NV Energy's statement that it will propose parameters for LFPs in a full IRP filing, an update report to an IRP filing, or an amendment to an IRP filing. (*Id.* at 2.) Staff states further that its first proposed modification removes any reference to default values. (*Id.*) Staff also states that its first proposed modification clarifies that the capacity resource rate can be program specific and that the distribution node capacity rate and the distribution node energy rate can be location specific. (*Id.*)

[3] https://www.oasis.oati.com/NEVP/.

38. Staff states that the definition of a Distribution Node in Schedule GSR-E is incomplete. (*Id.* at 4-5). Staff states that its second proposed modification is to add to the definition of a Distribution Node in Schedule GSR-E language that will make it mirror the language in the definition of a Distribution Node in Schedule GSR-C. (*Id.*)

39. Staff states that its third proposed modification is to add language to the definition of Market Price in Schedule No. GSR-E to make it easier for the reader to locate the hourly prices on NV Energy's website. (*Id.* at 5.)

40. Staff states that its fourth proposed modification is to add LFP Rules as a Special Condition for Schedule Nos. GSR-C and GSR-E. (*Id.* at 5-6.)

41. With respect to Staff's fifth proposed modification, Staff notes that the definition of Settlement Period in Schedule No. GSR-C refers to Market Prices per Special Condition 6, but Market Price is not listed as a Schedule No. GSR-C Special Condition. (*Id.* at 6.) Staff recommends adding Market Price as a Special Condition and updating the Special Condition number used in the definition of Settlement Period. (*Id.*)

42. Staff states that its sixth proposed modification consists of changes to simply make corrections or make the language consistent with other language found in the proposed schedules. (*Id.* at 6-9.)

NV Energy's Rebuttal Position

43. NV Energy states that it agrees with all of Staff's proposed modifications except for Staff's fifth proposed modification. (Ex. 103 at 3.)

44. With respect to Staff's fifth proposed modification, NV Energy proposes removing the last sentence of Settlement Period from Schedule GSR-C. (*Id.*) NV Energy states that, unlike Schedule GSR-E, Schedule GSR-C does not use the Market Price parameter, and

capacity settlement periods do not have to be aligned with published hourly Market Prices for energy. (*Id.*)

Commission Discussion and Findings

45. The Commission agrees with and accepts Staff's proposed modifications mentioned above, except for Staff's fifth proposal, because these modifications provide improved clarity for the application of the tariff. Regarding Staff's recommendation to add Market Price as a Special Condition and updating the Special Condition number used in the definition of Settlement Period, the Commission finds NV Energy's proposal to remove the last sentence of Settlement Period from Schedule GSR-C appropriate. The Commission agrees that capacity settlement periods need not be aligned with published hourly Market Prices for energy in Schedule GSR-C.

C. Staff's Proposed Compliance

Staff's Position

46. Staff proposes that the Commission issue a compliance item requiring NV Energy to notify the Commission of the successful implementation of DERMS Phase 1B(i) prior to stamping the proposed tariff sheets for Schedule Nos. OLM-AS, GSR-C, and GSR-E with an effective date. (Ex. 400 at 10.)

NV Energy's Rebuttal Position

47. NV Energy states that it agrees with Staff's proposed compliance item. (Ex. 103 at 5.)

Commission Discussion and Findings

48. The Commission finds it reasonable to require NV Energy to notify the Commission of the successful implementation of DERMS Phase 1B(i) prior to stamping the

proposed tariff sheets for Schedule Nos. OLM-AS, GSR-C, and GSR-E with an effective date. The DERMS update is required for the successful implementation of the programs.

D. Staff's Proposal for an Investigation and Rulemaking

Staff's Position

49. Staff proposes that the Commission open an Investigation and Rulemaking to review and possibly modify cost recovery of DRPs and LFPs. (Ex. 400 at 11.)

NV Energy's Rebuttal Position

50. NV Energy states that it agrees with Staff's proposal. (Ex. 103 at 5-6.)

Commission Discussion and Findings

51. The Commission finds the record in this proceeding contained inadequate information to determine whether the cost recovery for DRPs and LFPs should be modified. Current cost recovery for programs is addressed when the recovery is sought, and in the past different programs have been recovered in different ways, all vetted through respective cost recovery dockets. The limited budget and unknown viability of the tariff proposals do not warrant a change to this process or an investigation at this time.

Therefore, it is ordered:

1. The application of Nevada Power Company d/b/a NV Energy filed under Advice Letter No. 557, designated as Docket No. 25-10012, to revise Tariff No. 1-B to modify Optional Load Management and Automation Services Rider Schedule OLM-AS and establish Energy Grid Services Rider Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C to support demand response programs and broader load flexibility programs approved in Docket No. 24-05041 is approved as modified by this order.

2. The application of Sierra Pacific Power Company d/b/a NV Energy filed under Advice Letter No. 684-E, designated as Docket No. 25-10013, to revise Electric Tariff No. 1 to

modify Optional Load Management and Automation Services Rider Schedule OLM-AS and establish Energy Grid Services Rider Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C to support demand response programs and broader load flexibility programs approved in Docket No. 24-05041 is approved as modified by this order.

Compliances:

3. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall file updated tariffs as modified by this order for the Optional Load Management and Automation Services Rider Schedule OLM-AS, Energy Grid Services Rider Schedule No. GSR-E and Capacity Grid Services Rider Schedule No. GSR-C within 30 days of the date of this order.

4. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/s NV Energy shall file a notification when the Distributed Energy Resource Management System Phase 1B(i) software update is complete and ready for use. The tariffs filed in Compliance Paragraph 3 above shall not be stamped with an effective date until such notification is received.

5. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall file a narrative description of how Upfront Capacity Credit payments will be recorded and tracked in the books and records of the respective utilities, to include Federal Energy Regulatory Commission Uniform System of Account numbers and Federal Income Tax treatment.

Directives:

6. Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy shall include in its joint Annual Demand Side Management Update Report schedules identifying:

(a) The market price for each load flexibility event, including the date, time/hour, market price, number of customers receiving the energy credit, and total amount of energy credit;

(b) The net metering rider export event energy in total for each load flexibility event, including the date, time/hour and number of customers receiving the net metering rider energy credit;

(c) The number of upfront capacity credit participation agreements by number of years in each service territory, *e.g.*, 20 participation agreements for ten years, 5 participation agreements for nine years, etc.;

(d) The upfront capacity credit amount paid and related number of years by year in each service territory, *e.g.*, $50,000 for ten years in 2025, $25,000 for nine years in 2025, $500,000 for ten years in 2026, $75,000 for nine years in 2026, etc.; and

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(e) The annual reconciliation adjustment for each customer participating in an upfront capacity credit including the upfront capacity credit, annual capacity credit and adjusted upfront capacity credit.

By the Commission,

HAYLEY WILLIAMSON, Chair

TAMMY CORDOVA, Commissioner and Presiding Officer

RANDY J. BROWN, Commissioner

Attest:
TRISHA OSBORNE,
Assistant Commission Secretary

Dated: Carson City, Nevada

08/11/26

(SEAL)