1. ELECTRIC CONSUMPTION

Revenue generated by this charge is used by the utility to cover the costs of providing its service to customers and to earn a profit on the investment made by the company and its shareholders. This charge consists of the Base Tariff General Rate and Base Tariff Energy Rate.

Base Tariff General Rate (BTGR): The BTGR is set by reviewing all the utility’s revenues, expenses, investments, and costs of capital to determine the amount of revenue the utility requires to cover costs, including a fair return for investors. The BTGR is a backward-looking rate, meaning it’s calculated by reviewing actual costs for a previous test year, not by projecting what the utility may need to operate in the future.

• Origin: In 1975, the Legislature created the BTGR through passage of Assembly Bill (A.B.) 707. Prior to 1975, there was no distinction for general rates or any other type of rate.

• Frequency of Change: The Legislature requires electric utilities to file a General Rate Case (GRC) application at least once every three years. Any change in rates approved by the PUCN will take effect on Jan. 1 of the following year.

• More Info: See NRS 704.110(3) & the PUCN’s GRC Process Fact Sheet.

Base Tariff Energy Rate (BTER): An electric utility generally produces electricity for its customers two ways: 1) by burning fuel (usually coal or natural gas) at its power plants to generate electricity, and 2) by purchasing electricity (referred to as purchased power) from other electric companies to resell to its customers. The BTER reimburses the utility on a dollar-for-dollar basis for fuel and electricity purchased by the utility on behalf of its customers. Utilities cannot, under Nevada law, profit from fuel and purchased power costs. The BTER is calculated by taking the actual fuel and purchased power costs for a recent 12-month period and dividing that number by sales for the same 12-month period. Because of fluctuating costs of fuel and purchased power, it’s possible that too much or too little revenue is collected from ratepayers to reimburse the utility on a dollar-for-dollar basis. See the BTER charge below to learn what happens in that case.

• Origin: In 1975, the Legislature created the BTER through passage of A.B. 707.

• Frequency of Change: The BTER is adjusted on a quarterly basis.

• More Info: See NRS 704.110(10) & the PUCN’s Fuel & Purchased Power Fact Sheet.

2. NV GREENENERGY RIDER (NGR OPTION 1)

The NV GreenEnergy Rider (NGR Option 1) rate does not appear on all residential bills. It appears only on the bills of customers who volunteer to participate in NV Energy’s NV Green Energy Choice program. (As of June 2013, the NV Green Energy Choice program is available only to NV Energy’s Northern Nevada customers.)

• Origin: In 1995, the Nevada Legislature passed SB 503, which authorized electric utilities to implement a program of optional pricing for electricity derived from renewable energy resources. In November 2012, NV Energy submitted an application (Docket No. 12-11023) to the PUCN to establish the NV GreenEnergy Rider for a green energy pricing program.

3. DEFERRED ENERGY ADJUSTMENT (DEA)

This rate is the difference between the money the utility collected for fuel and purchased power costs and the actual costs for the fuel and purchased power. If more revenue was collected through the BTER than was required to reimburse the utility on a dollar-for-dollar basis, this rate will show as a credit on electric bills. If less money was collected through the BTER, the DEA will show as a charge on electric bills. In the sample bill to the left, the line item shows that $0 was charged or credited to the customer, which may change to a credit or charge with the rate’s quarterly adjustments.

• Origin: The Legislature created the DEA in 1975 through A.B. 707.

• Frequency of Change: In addition to quarterly adjustments, electric utilities must also file an annual Deferred Energy Accounting Adjustment (DEAA) application to allow the PUCN to review the reasonableness and prudence of the utility’s fuel and purchased power costs. Pursuant to NRS 704.187, annual DEAA applications must be filed in March and any change in the rate becomes effective 210 days later on Oct. 1.

• More Info: See the PUCN’s Fuel & Purchased Power Fact Sheet.

4. TEMP. GREEN POWER FINANCING (TRED)

TRED stands for Temporary Renewable Energy Development. The Legislature established this trust to assure payment for the generation of electricity. The NGR rate is revenue neutral; it does not allow the company to earn a profit.

• Origin: In 1995, the Nevada Legislature passed A.B. 707, which authorized electric utilities to implement the NV GreenEnergy Rider rules and to learn how the rate is calculated.

• Frequency of Change: The NGR rate is calculated annually and is included in the utility’s August quarterly BTER update filing, with any changes in rate taking effect on October 1. Like the BTER, the NGR rate is also updated quarterly.

• More Information: See NV Energy’s tariff to review the NV GreenEnergy Rider rules and to learn how the rate is calculated.

Below is a section of a sample residential NV Energy bill for a typical No. Nevada customer. The sample shows nine line item charges that add together to equal the customer’s total bill due, which is $169.56. Keep reading below to learn about the rates & charges that make up each line item, how those rates originated and how often they change.
costs of renewable energy to developers who had approved contracts to sell electricity to NV Energy, but who were having trouble getting financing to build their renewable energy generating plants at the time the TRED was established in 2005. The TRED rate is payment for these contracts. Nevada Solar One is the only renewable generating plant that is paid through the TRED trust and the TRED has been closed to any additional applicants. NAC 704.8898 describes how the TRED rate is calculated.

- **Origin:** In 2005, the Legislature established the TRED through passage of S.B. 358 (Sections 26.05 to 26.95).
- **Frequency of Change:** Annually in the utility’s DEAA application.
- **More Info:** See NRS 704.9524.

### 7. ENERGY EFFICIENCY AMORTIZATION (EEA)

This rate recovers or refunds the difference between the collected EEPR and EEIR revenues and recorded program costs and lost revenues. In the above sample bill, the customer is refunded $0.90 because the PUCN found the utility over-collected through the EEPR and EEIR. The EEA item would show as a charge if the EEPR and EEIR were found to have been under-collected.

- **Origin:** The Amortization EEPR and Amortization EEIR were defined in the PUCN’s rulemaking to implement the requirements of S.B. 358. They are the balancing mechanism to adjust for the over- or under-collection of the EEPR and EEIR rates.
- **Frequency of Change:** Annually in the utility’s DEAA application.
- **More Info:** See NAC 704.9524 & NAC 704.9523.

### 8. BASIC SERVICE CHARGE

The Basic Monthly Service Charge is a flat fee that reimburses the utility for its investment in meters, power lines, and other distribution facilities not recovered in other charges, as well as customer related expenses that do not vary with electric use. All residential customers pay the same amount each month, regardless of how much electricity the customer uses because the cost is fixed and does not vary based on usage. (Non-residential customers pay a higher basic service charge than residential customers.)

- **Origin:** The Legislature established the Basic Monthly Service Charge through passage of A.B. 707 in 1975.
- **Frequency of Change:** The Legislature requires electric utilities to file a General Rate Case (GRC) application at least once every three years. (NRS 704.110(3)) The basic monthly service charge is subject to change based on the GRC filing.
- **More Info:** See the PUCN’s GRC Process Fact Sheet.

### 9. LOCAL GOVERNMENT FEE

This line item consists of fees imposed by local governments, including business license taxes, franchise fees, and right-of-way fees. In 1995, the Nevada Legislature passed S.B. 568 to establish a 5% cap on the fees that a local government can impose on the gross revenues of public utilities that are derived from customers located in the local government’s jurisdiction. In Northern Nevada, local governments have imposed fees ranging from 2% to 5%. These fees are not kept by the utilities but are passed through to the local governments.

### 10. UNIVERSAL ENERGY CHARGE

The Universal Energy Charge (UEC) funds energy assistance and conservation programs for low-income consumers. Seventy-five percent of the fund is distributed to the Nevada Division of Welfare and Support Services and the Nevada Housing Division to assist low-income households pay electric and natural gas bills. Twenty-five percent of the fund is distributed to the Nevada Housing Division to assist low-income households implement energy conservation, energy efficiency and weatherization strategies.

- **Origin:** In 2001, the Legislature established the UEC through passage of A.B. 661 (Sections 26.05 to 26.95).
- **Frequency of Change:** Pursuant to NRS 702.160, a UEC of 0.39 mills (a mill is one-tenth of a cent) per kWh is collected on electric bills. The charge of 0.39 mills per kWh has not changed since the Legislature established the UEC in 2001.
- **More Info:** See NRS 702.160 and the websites for the Division of Welfare and Support Services and the Nevada Housing Division.