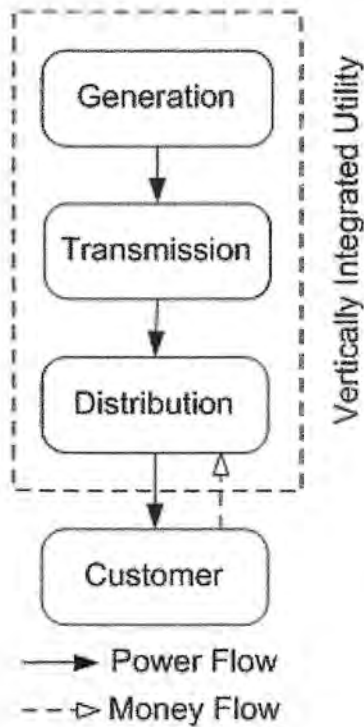


Vertically Integrated Utility Structure



The term “vertically integrated utility” refers to a utility that owns all levels of the supply chain: generation, transmission, and distribution.

A utility is given a monopoly over electric service in a specific area. The utility’s obligation to serve demand in a defined service territory at regulated rates comes with the monopoly.

Electricity Delivery System



Generation

Natural gas, solar, hydro, geothermal, nuclear, oil, or wind.

Utility owned, Power Purchase Agreements, Market purchases; (jurisdiction varies - PUCN and FERC)

Transmission

High-voltage transportation to load centers.

Utility owned; (jurisdiction varies - PUCN and FERC)

Distribution

Lower-voltage delivery to end-use customers.

PUCN jurisdiction

The Electric Grid

Transmission: the act or process of transporting energy in bulk.

Distribution: the system of wires, switches and transformers that serve neighborhoods and businesses, typically lower than 69,000 volts.

“BTGR” – Base Tariff General Rate

- Wages & Benefits, Office expenses, Meters, Trucks, Capital Costs of Power Plants (includes operating expenses and a Rate of Return)

“BTER” – Base Tariff Energy Rate

- A forecasted rate to recover the expected cost of fuel and market purchases of power only

“DEAA” – Deferred Energy Accounting Adjustment

- Recovers the difference between the forecasted and the actual cost of fuel and purchased power

“EEPR” – Energy Efficiency Program Rate

- Recovers the costs of energy efficiency and conservation (“EE&C”) programs

“EEIR” – Energy Efficiency Implementation Rate

- Recovers the “lost revenues” of NV Energy as a result of EE&C programs

“REPR” – Renewable Energy Program Rate

- Recovers the expenditures made to promote distributed generation (rooftop solar, etc.) through customer incentives

“TRED” – Temporary Renewable Energy Development

- A trust payment to benefit a solar project

“UEC” – Universal Energy Charge

- Assists low-income customers with energy bills and weatherization

For definitions and explanations of additional terms and acronyms related to electric utility regulation, the U.S. Energy Information Administration maintains a helpful glossary at:

<https://www.eia.gov/tools/glossary/>