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February 9, 2026

Trisha Osborne
Assistant Commission Secretary
Public Utilities Commission of Nevada
1150 E. William Street
Carson City, NV 89701

Re: Petition of Reno Power NR I LLC for an Advisory Opinion or Declaratory Order as to the Confirming the Applicability of Sierra Pacific Power Company, d/b/a NV Energy's Rule 9.A.16 to Proportionate Share Allocations for Subsequent Interconnections to a Master Planned Community Line Extension.
Docket No. 25-09008

Dear Ms. Osborne:

Enclosed for filing is: Corrected Petition for Declaratory Order or Advisory Opinion which un-redacts certain information as discussed between the Parties to this Docket.

Please note that the Petition and Exhibits 1,2, 4, and 5 include commercially sensitive information that Reno Power NR I, LLC has designated as confidential pursuant to NAC 703.5274. The confidential information is attached hereto and has been printed on pink paper, stamped "Confidential" and placed into a sealed envelope as required by NAC 703.5274(1). Pursuant to NAC 703.5274(8), Reno Power NR I, LLC will provide copies of the confidential materials to Staff and BCP upon the execution of a protective agreement. Reno Power NR I, LLC requests that this confidential information be maintained as confidential for a period of five (5) years or as long as lawfully allowed, whichever is longer. Confidential treatment of the designated information will not impair the ability of the parties to fully evaluate this Supplemental Filing.

If you have any questions or concerns pertaining to this filing, please do not hesitate to contact us.

Sincerely,

/s/ Robert D. Sweetin
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BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Petition of Reno Power NR I LLC for an Advisory Opinion or Declaratory Order as to the Confirming the Applicability of Sierra Pacific Power Company, d/b/a NV Energy's Rule 9.A.16 to Proportionate Share Allocations for Subsequent Interconnections to a Master Planned Community Line Extension.	))))))))	Docket No. 25-09008

CORRECTED PETITION FOR DECLARATORY ORDER OR ADVISORY OPINION

Pursuant to NAC 703.540 and NAC 703.825, Reno Power NR I LLC, an affiliate of Tract Capital Management, LP ("Petitioner"), petitions the Public Utilities Commission of Nevada ("Commission") for a Declaratory Order, or in the alternative, an Advisory Opinion, confirming the applicability of Sierra Pacific Power Company ("SPPC", or "NV Energy") Northern Nevada Electric Service Rule 9.A.16. Specifically, where a switching station/substation and related high-voltage distribution facilities are constructed under a Rule 9 master-planned community agreement, and a subsequent Rule 9 applicant line extension would serve load entirely outside the master-planned community, without any intent to serve within it, interconnects into those master-planned community facilities. Petitioner requests confirmation that such line extension interconnections for the purpose of serving load outside of a Master Planned Community ("MPC") triggers the Proportionate Share Allocation, and corresponding refund obligations, under Rule 9.A.16.

Petitioner respectfully requests the Commission issue an advisory opinion, or in the alterative a Declaratory Order, confirming that Rule 9.A.16's proportionate share allocation is the appropriate cost recovery mechanism for subsequent Rule 9 applicant under the facts as presented herein, and any such applicable refund be administered in accordance with Rule 9.A.16, Rule 9.A.32(b)(4), and the express terms of Petitioner's Rule 9 Agreements.

I. BACKGROUND AND FACTUAL STATEMENT

Petitioner is developing the Peru Shelf MPC in the Tahoe-Reno Industrial Center, intended to primarily serve the needs of end-use data center customers. The Peru Shelf MPC will serve up to [redacted] of customer load during Phase 1 via the Gosling 345 kV Switching Station, and up to [redacted] of customer load upon deployment of Phase 2 via the proposed Goose 525/345kV Substation. This Petition only relates to Petitioner's Phase 1 Gosling 345 kV Switching Station ("Gosling").[1]

To serve the Peru Shelf MPC, Petitioner entered into both a Master Planned Community Umbrella Agreement [redacted] and a Substation and High Voltage Distribution Agreement [redacted] with NV Energy (collectively referred to as "Rule 9 Agreements" or individually as the "SHVD" or "MPC Agreement," as relevant)[2] with NV Energy. Under these Rule 9 Agreements, Petitioner funded construction of Gosling, which was designed with eight terminals.[3] Pursuant to NV Energy's planning documents for the Peru Shelf MPC, two terminals were required for NV Energy's West Tracy to Comstock Meadows 345 kV line fold, two were designated as additional terminals to accommodate future customer growth, and the remaining four were designated for high-voltage distribution service to Petitioner's MPC.[4] In late 2024, NV Energy informed Petitioner that an entity entirely unaffiliated with Petitioner, Petitioner's MPC, or NV Energy ("Subsequent Gosling Applicant") intended to interconnect at Gosling using the two

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1 *See* Exhibit 1, MPC; Exhibit 2, SHVD Agreement

2 *See* Exhibit 1, MPC; Exhibit 2, SHVD Agreement; Exhibit 3, Rule 9.

3 For the avoidance of doubt, limited portions of Gosling, not germane to this proceeding, rather than being fully funded, were fully secured by Petitioner. See Exhibit 2, SHVD, Exhibit B-1.

4 *See* Exhibit 1, MPC, Exhibit B, P. 9 Reno Power NR I LLC 0032-0035; Exhibit 2, SHVD, Exhibit F, P. 3 Reno Power NR I LLC 0117.

terminals reserved for future customer load growth. It is undisputed that Subsequent Gosling Applicant's interconnection is for the purpose of serving load entirely outside of, and unrelated to, the Peru Shelf MPC.

Petitioner's SHVD expressly incorporates Rule 9.A.16, providing that if a subsequent Rule 9 applicant required interconnection to Gosling to serve outside-MPC load, the original applicant (here Petitioner) "shall be entitled to a Proportionate Share Refund."[5] Petitioner understood, consistent with this provision and through contemporaneous discussions with NV Energy, that the Subsequent Gosling Applicant's outside-MPC interconnection would trigger a proportionate share allocation relative to Petitioner's "Total Costs" in constructing Gosling. That understanding was confirmed by NV Energy in November 2024, when, in response to a direct question regarding a potential interconnection at Gosling by an entity unaffiliated with Petitioner's MPC, NV Energy stated:

> [redacted]

This November 2024 response by NV Energy was consistent with Rule 9's definition of "Total Costs," and with Rule 9.C.4(b)(3), which directs that subsequent applicant serving outside-MPC load must bear proportionate cost responsibility, based on capacity allocated from Gosling.

NV Energy has since reversed its November 2024 position. On July 18, 2025, in the specific context of Subsequent Gosling Applicant, NV Energy informed Petitioner:

> *"Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs. Due to that, refunds for*

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5 *See* Exhibit 2, SHVD Agreement, Section 12.3(A), Reno Power NR I LLC 0077.

6 *See* Exhibit 4, Email- Dennis Bartlett and Clynne Cook, November 15, 2024, Reno Power NR I LLC 0032-0225. [redacted]

> *Gosling shall instead occur pursuant to Rule 9 Section C.6 Master Planned Community Refunding of Advances. Section C.6.a states that refunds for substations and HVD shall be computed based on the load experienced by the substations or HVD."*[7]

NV Energy's interpretation would strip Petitioner of the proportionate share recovery contemplated by both Rule 9, and Petitioner's Rule 9 Agreements. Further, the July 2025 interpretation, as discussed in additional detail below, would deny Petitioner any refund right at all as proposed under Rule 9.C.6, given Subsequent Gosling Applicant's line extension is not built "for the purpose of providing electric service to [a MPC]."[8]

As explained in further detail below, exhibit B-3 of Petitioner's SHVD ties any MPC allowance or refund mechanism (governed by Rule 9.C.6) exclusively to load experienced across Petitioner's MPC, up to Petitioner's [redacted] allocation.[9] When outside-MPC load is introduced to a MPC switching station or substation, or high-voltage distribution facilities ("HVDs"),[10] Rule 9.C.4(b)(3) mandates "Total Costs" be prorated by capacity allocated to the original MPC applicant. Additionally, Rule 9.C.6 cannot apply as a refund mechanism, given the clear threshold restriction of Rule 9.C.1, prohibiting any application of Rule 9.C (inclusive of 9.C.6) to line extensions that will not serve customers within the MPC, which Subsequent Gosling Applicant's load undisputedly will not. Consequently, refund obligations under Rule 9.A.16 must control.[11] Any alternative interpretation, disallowing application of Rule 9.A.16, would leave MPC "pioneer

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7 *See* Exhibit 5, Email- Lila Yocom, July 18, 2025, Reno Power NR I LLC 0227-0228.

8 *See* Exhibit 3, Rule 9.C.1, Reno Power NR I LLC 0209.

9 *See* Exhibit 2, Section 12.2, Reno Power NR I LLC 0077.

10 *See* Exhibit 3, Rule 9.A.34, Reno Power NR I LLC 0191. Definition of "High Voltage Distribution" ("HVD") or "HVD Feeder" refer[ring] to electric line facilities that are typically about 35 kV but provide a distribution function or establish an interconnection between Utility's electric system and a distribution substation or a customer's load while providing a distribution function." Within this Petition, and unless otherwise noted, referred to as "HVD" (and distinguished from "SHVD" which, as used herein, refers to a specific form of a Rule 9 Agreement under an MPC Umbrella Agreement).

11 *See* Exhibit 3, Rule 9.A.16, Reno Power NR I LLC 0162; Exhibit 3, 9.C.4(b)(3), Reno Power NR I LLC 0212; Exhibit 3, Rule A.34 "Total Cost" definition, Reno Power NR I LLC 0198.

applicants" (Petitioner in this context, relative to Gosling) subsidizing any subsequent applicant who chooses not to take service within such MPC.

For the avoidance of doubt, this Petition, whether granted or denied, would not place an additional cost burden on NV Energy or its ratepayers, nor does Petitioner contest prior amounts of advance funding provided to NV Energy. This Petition seeks to resolve a dispute in interpretation under Rule 9 as to how Total Costs are allocated for MPC facilities when outside-MPC Applicant line extensions avail themselves of the benefits of infrastructure initially developed to serve a MPC. Specifically, Petitioner asks this Commission, in light of the underlying facts, and in harmonizing the text of Rule 9, as it is required to do, to find that Rule 9.A.16 applies to outside-MPC line extensions, resulting in a proportional share allocation for outside-MPC line extensions at Gosling.

II. JURISDICTIONAL STATEMENT

The Commission has authority to issue advisory opinions or declaratory orders on matters within its jurisdiction.[12] NAC 703.825(1) authorizes the filing of a petition for an advisory opinion or declaratory order seeking guidance as to the applicability of any statute or Commission regulation to specific facts. The Commission also has broad statutory authority to fix and regulate just and reasonable rates, practices, and service of public utilities, authority that includes interpreting and enforcing tariff provisions, such as Northern Nevada Electric Service Rule 9, to prevent unjust or unreasonable results.[13] It is undisputed that Rule 9 is part of NV Energy's Commission-approved Tariff Schedules, and Petitioner's SHVD and MPC agreements

[12] NAC 703.825.
[13] NRS 704.040.

acknowledge Rule 9's status and allows Petitioner to submit disputes over interpretation to the Commission.[14]

Rule 9.A.28(a)(1) requires the Utility and Applicant to meet and confer in good faith to resolve disputes over the application of Rule 9. Petitioner and NV Energy have done so but have been unable to reach agreement. Under Rule 9.A.28(a)(2), and pursuant to NAC 703.540 and NAC 703.825, Petitioner is entitled to seek appropriate relief from the Commission through an advisory opinion or declaratory order.

III. APPLICABLE TARIFF PROVISIONS

The outcome of this Petition turns on the applicability of two distinct cost recovery provisions allowed under Rule 9:(1) Rule 9.A.16's Proportionate Share Allocation; or Rule 9.C.6 ("Master Planned Community Refunding of Advances"). To determine which cost recovery Rule applies, both Rule 9.A.16 and Rule 9.C.6 must be read within the context of Rule 9.C.1's express language limiting refunds under 9.C.6 only to line extensions serving customers within a MPC; and Rule 9.C.4(b)(3), mandating proration of "Total Costs" for Gosling, based on relative capacity allocations between Petitioner and Subsequent Gosling Applicant's outside-MPC load. Certain defined terms in Rule 9.A.34 further inform the scope and operation of these provisions and are referenced throughout this Petition:

> *Proportionate Share Allocation* means the capacity-based share of the eligible cost of a facility, calculated by multiplying the total eligible facility cost by the ratio of the subsequent applicant's capacity to the total facility capacity.

14 *See* Exhibit 2, SHVD Preamble, Reno Power NR I LLC 0055; *In re Application of Fish Springs Ranch, LLC*, Docket No. 13-03017; *In re Application of Nevada Power Company to Interpret Tariff Provisions*, Docket No. 09-06028.

Proportionate Share Refund means the Refund a prior Applicant receives resulting from a Proportionate Share Allocation.

Refund means the return of eligible portions of any remaining balance of the Project's Advance Subject to Potential Refunds. Proportionate Share Allocations are specifically included within this definition.

Master Planned Community means a large-scale development meeting specific criteria set forth in the tariff, served under a MPC Umbrella Agreement.

A. ***Rule 9.A.16 – Proportionate Share Allocation/Refund***

Rule 9.A.16 establishes the mechanism by which an applicant who has funded eligible utility facilities may recover relevant costs from any subsequent applicant who directly connects to, and benefits from, those facilities (Proportionate Share Allocation or "PSA").[15] The recovery allocation is capacity-based, calculated from the facilities' total cost per kVA and proportionate to the share of the facility's capacity used by the subsequent applicant.[16] Rule 9.A.16(d) includes two limitations that apply specifically to facilities constructed pursuant to a MPC Agreement: (1) the *Partial-Service Limitation* applies when a subsequent applicant line extension provides utility service both inside and outside the MPC. In such cases, the PSA calculation applies only to the portion of the extension located outside the MPC;[17] and (2) the *Double-Recovery Safeguard* which prohibits proportional share allocations from a subsequent applicant where the Total Cost of MPC

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15 Exhibit 3, Rule 9.A.16(b), Reno Power NR I LLC 0162: "The Proportionate Share Allocation, whereby a subsequent Applicant pays a preceding Applicant, shall be included in those Total Costs that are subject to be offset by any applicable Allowance."

16 Exhibit 3, Rule 9.A.16(a), Reno Power NR I LLC 0162.

17 Given Subsequent Gosling Applicant will serve exclusively outside-MPC load, the "Partial-Service limitation" is not relevant to this proceeding.

substations and MPC high-voltage distribution facilities are allocated through Rule 9.C.6 (Master Planned Community Refunding of Advances).[18]

B. ***Rule 9.C.1 – Applicability of Rule 9.C- Master Planned Communities***

Rule 9.C.1 limits the terms and conditions of Rule 9.C "to a Line Extension constructed for the purpose of providing electric service to MPCs."[19] Stated another way, no provision of Rule 9.C (which includes Rule 9.C.6's refund mechanism for MPC facilities) can govern line extensions constructed to exclusively serve outside-MPC loads. However, for the avoidance of doubt, given that Petitioner executed an SHVD to construct Gosling for the purpose of serving customers within the Peru Shelf MPC, the provisions of Rule 9C do apply to Petitioner's cost allocation as related to Gosling.

C. ***Rule 9.C.6 – Master Planned Community Refunding of Advances***

Rule 9.C.6 governs, *inter alia*, the scope, timeline, and mathematical formulas for cost recovery in constructing and deploying facilities pursuant to a MPC Agreement/SHVD. Facilities eligible for potential refund under Rule 9.C.6 include MPC switching stations/substations, HVD, and distribution feeders that serve load ***located within the MPC***.[20] As stated in Rule 9.C.1, the provisions of Rule 9.C apply only to "a line extension constructed for the purpose of providing electric service to Master Planned Communities." Under Rule 9.C.6, MPC substation and HVD refunds are computed annually based on the actual load experienced by those facilities, using a fixed formula keyed to the MPC's allocated capacity. Refunds for distribution feeders are further

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18 As discussed in more detail in Section IV(B)(ii), *infra*, the Double-Recovery Safeguard limitation can neither logically, nor textually, be applied to line extensions by subsequent applicants who intend to serve outside-MPC loads exclusively.

19 Exhibit 3, Rule 9.C.1, Reno Power NR I LLC 0209: "The following terms and conditions in this Part C shall be applicable to a Line Extension constructed for the purpose of providing electric service to Master Planned Communities."

20 *Emphasis added. See also,* Exhibit 3, Rule 9.C.6(a) Reno Power NR I LLC 0214-0215: "Refunds for substations and HVD shall be computed based on the load experienced by the substation or HVD."

limited to subsequent line extensions located within the MPC, reflecting Rule 9.C.6's applicability to facilities and load directly associated with MPC service, not for projects or service points entirely outside the MPC.

D. *<u>Rule 9.C.4(b)(3) – Proration of "Total Costs" for Outside-MPC Line Extensions by a Subsequent Applicant, When Interconnecting to MPC/SHVD Facilities</u>*

Rule 9.C.4(b)(3) applies where a MPC substation and/or HVD facilities will also serve customers located outside the MPC boundary.[21] For the avoidance of doubt, Rule 9.C.4(b)(3) is directly applicable to Petitioner's fact pattern, relative to Subsequent Gosling Applicant. "Total Costs" are prorated by the capacity allocated to serve the MPC, and the MPC applicant is responsible only for MPC applicant's prorated share. The outside-MPC portion of facility costs is excluded from the MPC applicant's Total Costs, and is proportionally allocated to outside-MPC line extensions, based on the subsequent applicant's proportional use of the MPC facility. This proration aligns Rule 9.C's MPC-specific framework, and with Rule 9.A.16, ensuring that the costs associated with outside-MPC load are not recovered through MPC-only annual refund provisions.

E. *<u>Rule 9.A.32 – Refund Timing and Administration</u>*

Rule 9.A.32 governs the timing and administration of refunds under Rule 9.[22] For proportionate share refunds under Rule 9.A.16, the utility must issue the refund to the original applicant within 60 days after the subsequent applicant connects to the facilities (here, within 60 days of Subsequent Gosling Applicant's interconnection to Gosling). For MPC refunds under Rule

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21 Exhibit 3, Rule 9.C.4(b)(3), Reno Power NR I LLC 0212: "Where the substation and/or HVD shall also serve Customers located outside the MPC boundary, the Total Costs shall be prorated by capacity allocated to Applicant and Applicant shall then only be required to advance the prorated portion allocated to Applicant."

22 Exhibit 3, Rule 9.A.32(b)(4), Reno Power NR I LLC 0182: "Proportionate Share Allocation Refunds shall be sent to the previous Applicant within sixty (60) days after the subsequent Applicant connects to the previous Applicant's facilities."

9.C.6, the utility calculates the refund annually and issues payment within four months after the anniversary date of the applicable MPC Umbrella Agreement.

F. ***Rule 9.A.28 / NAC 703.115 – Interpretation and Deviation Authority***

While this Petition does not seek deviation as a primary remedy, Rule 9.A.28[23] and NAC 703.115 provide the Commission with authority to interpret Rule 9, considering specific facts and, if necessary, authorize deviations where application of the tariff would be impractical, inequitable, or otherwise inappropriate. Notwithstanding the foregoing, Petitioner submits the language of Rule 9, as to this issue, is clear, allowing for outside-MPC line extension costs to be proportionally allocated between Petitioner and Subsequent Gosling Applicant. NV Energy's application of Rule 9.C.6, as explained herein, would render superfluous, or directly violate, Rule 9.C.1 and Rule 9.C.4(b)(3), allowing non-MPC line extensions access to a refund mechanism applicable only to MPC line extensions. Consequently, Petitioner's requested application would not "deviate" from Rule 9, rendering any request for a deviation under the facts of this Petition, irrelevant.

Out of an abundance of caution, to the extent the Commission determines a deviation is necessary to grant this Petition, Petitioner preserves any argument on the same not made herein.

IV. LEGAL POLICY AND ANALYSIS

A. Rule Statement and Applicable Interpretive Cannons

The Commission resolves tariff disputes by applying the same interpretive principles that govern statutory construction, treating approved tariffs as having the force and effect of law.[24]

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[23] Exhibit 3, Rule 9.A.28(b)(1) Reno Power NR I LLC 0181: "Utility and/or Applicant may submit a request to the Commission to review and approve a special Rule 9 Agreement that includes deviations from the provisions of this Rule."

[24] *In re Application of Nevada Power Company to Interpret Tariff Provisions*, Docket No. 09-06028, 2009 Nev. PUC LEXIS 233, at *6–7 (citing State v. Lucero, 127 Nev. 92, 95 (2011) (plain meaning controls where statutory language is clear); *Int'l Game Tech., Inc. v. Second Judicial Dist. Court*, 124 Nev. 193, 198–99 (2008)).

When the text is unambiguous, the Commission applies its plain and ordinary meaning without straining the language.[25]

The Commission must read tariffs as a whole, maintain internal consistency across a tariffs various provisions, and harmonize related provisions so that each is given effect and no section is rendered superfluous.[26] Where exceptions or deviations have been considered under the plain language of a tariff, such exceptions have been narrow, with the Commission recognizing that overly broad readings would erode the general cost-allocation framework and shift costs in ways the tariff was designed to prevent.[27] Absent clear, express language, no tariff clause is construed to supplant another.[28]

B. <u>The Facts Establish That Rule 9.A.16 Applies in light of the Subsequent Gosling Applicant's Interconnection at Gosling</u>

The plain terms of Rule 9.A.16, along with Petitioners SHVD for the Peru Shelf MPC, specify that Petitioner is entitled to a Proportionate Share Allocation associated with its initial investment in the Gosling Substation, where Rule 9 would so permit.

Rule 9.A.16 provides that when a subsequent Applicant directly connects to facilities funded by a "preceding applicant," "a Proportionate Share Allocation shall be calculated" and refunded to the preceding applicant.[29] As the nomenclature of Rule 9.A.16 evinces, the allocation is proportional to use of the facilities, ensuring each applicant equitably shares Total Costs.[30]

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25 *Id.* at *7–8.

26 *V & S Ry. LLC v. White Pine Cty.*, 125 Nev. 233, 239 (2009).

27 *In re Application of Fish Springs Ranch, LLC*, Docket No. 13-03017, 2013 Nev. PUC LEXIS 220, at *14–15 (citing State v. Javier C., 128 Nev. 536, 539–40 (2012) (exceptions to a general rule are strictly construed); *Nat'l Collegiate Athletic Ass'n v. Univ. of Nev.*, 97 Nev. 56, 57–58 (1981)).

28 *See Investigation regarding the implementation of Section 20 of Senate Bill 358 by Sierra Pacific Power Company d/b/a NV Energy and Nevada Power Company d/b/a NV Energy,* Docket No. 10-01017, 2010 Nev. PUC LEXIS 6, at 19 (discussing interpretation of language beyond its plain meaning); *See also* See <u>Galloway v. Truesdell, 83 Nev. 13, 26, 422 P.2d 237, 246 (1967)</u>.

29 *See* Exhibit 3, Rule 9.A.16(a)-(b), Reno Power NR I LLC 0162.

30 *See also* Exhibit 3, Rule 9.A.16(a), Reno Power NR I LLC 0162, providing the method for calculation of Proportional Share Allocation.

Rule 9. A.16(d)(2) contains a limitation, directly relevant here, which provides the basis of NV Energy's position that a proportionate share allocation cannot apply at Gosling: "Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs."[31] Such a literal reading and application of the limitation in Rule 9.A.16(d)(2), fails to provide a harmonized reading of Rule 9, ignores the use of the term "Total Costs" for Proportionate Share Allocations, and renders superfluous Rule 9.C.1 and Rule 9.C.4(b)(3). The limitation of Rule 9.A.16(d)(2) does not go so far as to deny any application of Proportionate Share Allocation mechanism to any MPC facility under all circumstances, which would be the result of NV Energy's proposed interpretation. As discussed in greater detail below, to provide a harmonized reading of Rule 9, the Commission must consider that "Total Costs" as used in Rule 9.A.16(d)(2), is directly informed and impacted by Rule 9.C.4(b)(3)'s proration and amendment of Total Cost for MPC facilities, where subsequent applicants use a preceding Applicants MPC facilities to serve outside-MPC load.[32]

Rule 9.A.16's intent, refined by the definition of "Proportionate Share" is clear: proportionally allocate costs between preceding and subsequent applicants based on relative use of preceding applicant Rule 9 facilities.[33] It was this reading that was clearly confirmed by NV Energy in November of 2024.[34]

Petitioner's right to a proportionate share refund, and NV Energy's previous communications confirm, that outside-MPC interconnections at Gosling are only recoverable through Rule 9.A.16's Proportionate Share Allocation. Application of Rule 9.A.16 to Petitioner's facts ensures outside-MPC users bear their share of Total Costs for Gosling, prevents

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31 *See* Exhibit 5 Reno Power NR I LLC 0227-0228, Email- Lila Yocom, July 18, 2025.

32 *See* Section IV(B)(i).

33 Exhibit 3, Rule 9.A.34, Reno Power NR I LLC 0185-0199, definitions.

34 *See* Exhibit 4, Reno Power NR I LLC 0225, Email- Dennis Bartlett and Clynne Cook, November 15, 2024.

impermissible subsidies by MPC developers to the benefit of subsequent applicants, and preserves the regulatory certainty necessary for large-scale investment.

i. *Rule 9.C.4(b)(3)'s Plain Language Requires Gosling's Total Cost to be prorated based on Subsequent Gosling Applicants Intent to Serve Load Outside the MPC*

Rule 9 defines "Total Costs" broadly to mean "all costs associated with a Project," including engineering, design, materials, construction, land rights, and required system alterations.[35] Under Rule 9.A.15, an Applicant is generally required to advance the full amount of those Total Costs when requesting a line extension. Rule 9.A.16(d)(2)'s limitation is directly tied to MPC facility total costs, otherwise subject to refund under Rule 9.C.6. For the avoidance of doubt, Petitioner has complied with its Total Cost obligations for the Gosling Substation at all times pursuant to the terms of Petitioner's Rule 9 Agreements.

For MPCs, Rule 9.C.4(b)(3) directly states, "[w]here the substation and/or HVD shall also serve Customers located ***outside the MPC boundary[.]***"[36] As such, in determining whether Rule 9.A.16 (Proportionate Share) or Rule 9.C.6 (MPC refund of advance) is the appropriate cost-recovery mechanism, the Commission must first determine whether the Subsequent Applicant line extensions will serve customers within the MPC, or outside of the MPC.[37] Where a subsequent applicant's service will be entirely outside of the MPC, as is the case here, Rule 9.C.4(b)(3) goes on to affirm, " [...]Total Costs shall be prorated by capacity allocated to Applicant and Applicant shall then only be required to advance the prorated portion allocated to Applicant." In other words, the MPC applicant is responsible only for its share of Total Costs, corresponding to the capacity

35 *See* Exhibit 3, Rule 9.A.34, Reno Power NR I LLC 0198, definition Total Cost.
36 Emphasis added.
37 A third option, not applicable here, where a line extension serves loads partially within and partially outside of the MPC, is not relevant to a factual analysis here, given Subsequent Gosling Applicant will serve load entirely outside of Petitioner's Peru Shelf MPC.

assigned to serve its own development; costs attributable to outside-MPC capacity are excluded from "Total Costs" as used in Rule 9.A.16(d)(2), and reserved for later recovery from subsequent outside-MPC Applicants pursuant to Rule 9.A. 16.

Accordingly, application of Rule 9 as requested by Petitioner complies with Rule 9's various requirements, allocates Subsequent Gosling Applicant's costs to Subsequent Gosling Applicant (rather than unimpacted and non-benefitting ratepayers), consequently reducing the "Total Costs" as referenced in Rule 9.A.16(d)(2), thereby appropriately categorizing Total Costs for purposes of Rule 9.C.6's MPC refunding of advances to match load growth within the MPC.

For Petitioner, the Tariff language is not the only support for such a conclusion. Petitioner's SHVD Agreement confirms the Applicability of Rule 9.A.16's Proportionate Share Allocation with direct, targeted language. Section 2 of that SHVD Agreement defines Petitioner's "Advance" as the Estimated Total Costs for facilities necessary to serve the MPC, while Exhibit B-3 limits refund eligibility to the portion of costs "allocated to MPC service." Article 12.3(a) of the SHVD Agreement entitles Petitioner to a Proportionate Share Refund under Rule 9, where such costs are not otherwise recovered through MPC-specific facilities pursuant to Rule 9.C.6. In harmonizing the language of Rule 9 and Petitioner's Rule 9 Agreements, Proportionate Share Allocations were never contemplated by the parties to be entirely prohibited merely because Gosling's construction was initiated for the Peru Shelf MPC. The MPC Agreement likewise incorporates Rule 9 by reference, distinguishing between refunds applicable to MPC service (Rule 9.C.6) and those arising from outside use (Rule 9.A.16).[38]

The plain language of Rule 9.C.4(b)(3), Petitioner's Rule 9 Agreements, and Rule 9.A.16, establish an unambiguous framework in which an applicant (such as Petitioner) might obtain the

[38] *See* Exhibit 1, MPC, sections 4.2(A), 4.3(B), and 10.3, Reno Power NR I LLC 0005, 0006, and 0012.

benefits of developing a large project through a MPC framework, while not forfeiting any relevant cost recovery tools for those subsequent applicants who benefit from relevant facilities (like Gosling) to serve outside-MPC load. Rule 9.A.16(b) provides the framework for which such a Proportionate Share Allocation is made, then subsequently included into revised eligible total costs and allowances, which, in turn, provides a revised baseline for ongoing cost recovery.

ii. *The Plain Language of Rule 9.A.16, when read in the context of Rule 9.C, requires proportionate share allocation for line extensions used to serve Outside-MPC loads.*

Rule 9.C.1 makes clear that Rule 9.C's terms "shall be applicable to a Line Extension constructed for the purpose of providing electric service ***to*** Master Planned Communities."[39] As such, Rule 9.C.6's load-based refund formula applies only to substations and HVD serving the MPC itself. Rule 9.C.6 does not extend to unrelated interconnections outside of the MPC, which fall outside the defined scope of Rule 9.C. By analogy, Rule 9.A.16(d)(1) governs Proportional Share Allocations where line extensions serve load both partially within a MPC, and partially outside of a MPC. In such cases, line extension portions within the MPC are refunded to a MPC applicant through Rule 9.C.6, while the line extension portions outside of the MPC are governed by Rule 9.A.16(d)(1)'s Proportionate Share Allocation. Rule 9.C.6 does not apply to those partially outside-MPC facilities for the same reason Rule 9.C.6 cannot reasonably be applied to Subsequent Gosling Applicant's proposed line extension—doing so would violate Rule 9.C.1 and render superfluous Rule 9.C.4(b)(3), a result not permitted when the Commission interprets tariffs such as Rule 9.

NV Energy's July 2025 position that outside-MPC load is subject to recovery through Rule 9.C.6 must fail based on the language of Rule 9.C.1 because the Subsequent Gosling Applicant's

[39] Emphasis added.

proposed line extensions are not "for the purpose of providing electric service to [the Peru Shelf MPC]." If NV Energy's reading were applied, Petitioner would be left with its own form of a stranded investment, having over-built facilities with no avenue for recovery, despite those facilities being in service to end-use customers outside of the MPC.

This harmonized reading of Rule 9 is required, in order for all provisions of Rule 9 to have meaning or effect.[40] By contrast, NV Energy's July 2025 interpretation would override Rule 9.C.1, Rule 9.C.4(b)(3), and ignore Rule 9.A.16.

iii. *Cost-Causation and Policy Considerations Require Application of Rule 9.A.16 to Subsequent Applicant Interconnection at Gosling.*

The Commission has consistently applied cost-causation as a bedrock principle, requiring those who cause costs to bear them. If Rule 9.A.16 were not applied here, Petitioner would be left subsidizing facilities built for outside-MPC load, not only directly violating Rule 9.C.1 and Rule 9.C.4(b)(3) but also creating an environment for free-riders to advantageously and strategically develop from MPC infrastructure, to serve customers outside of MPCs. Such non-MPC developers avoid otherwise burdensome front-end investments, in addition to other cost-requirements like security for utility investment, or advances that might be associated with projects located within the MPC which results in a negative impact on economic development by large-scale developers and a strong disincentive to develop large projects through a MPC framework.

In contrast, application of Rule 9.A.16 in this matter aligns Rule 9 with its own underlying policy that beneficiaries should bear their own relevant costs. Stated plainly, outside users pay for the line extension facilities they need, while the original MPC developer pays only for its prorated

40 *V & S Ry. LLC v. White Pine Cty.*, 125 Nev. 233, 239 (2009).

share of those pioneer facilities. The November 2024 NV Energy terminal allocation email illustrates this principle in practice, endorsing the concept without objection.

Policy considerations reinforce the tariff's plain language. Developers advance tens of millions in upfront Total Costs with the expectation that Rule 9's refund framework will be honored. NV Energy's July 2025 reinterpretation would upend that expectation, expose MPC developers to subsidization of unrelated projects, and discourage the very investments needed for Nevada's economic growth and diversity. Confirming the applicability of Rule 9.A.16 preserves fairness, transparency, and regulatory stability.

C. **Additional Legal and Policy Considerations Confirming the Applicability of Rule 9.A.16**

Out of an abundance of caution, Petitioner also raises the following points for the Commission's consideration, which complement the foregoing sections in demonstrating, within the context of Subsequent Gosling Applicant's, interconnection to Gosling must be governed by Rule 9.A.16, rather than Rule 9.C.6, as proposed by NV Energy.

i. *Rule 9 Recognizes Three Distinct Service Categories for MPC Applicants*

Rule 9 creates three distinct scenarios under which Applicants take service in the context of MPC projects: (1) facilities serving load entirely within an MPC (refunds under Rule 9.C.6); (2) mixed inside/outside service (MPC refunds under Rule 9.C.6 for the inside portion and Rule 9.A.16 for the outside portion); and (3) outside-MPC interconnections with no MPC service (exclusively under Rule 9.A.16). Based on the preceding analysis there is no dispute the Subsequent Gosling Applicant falls squarely in category (3). Ignoring this established structure, which underpins Rule 9's various interplays in considering advanced and complex infrastructure development, would erase an entire category of service, leaving no mechanism for cost recovery in outside-MPC cases.

ii. *Rule 9.C.6 Cannot Operate as a "fallback" to Rule 9.A.16*

Rule 9.A.16(d)(2) prevents double recovery of MPC substation/HVD costs but contains no cross-reference to Rule 9.C.6 as a replacement or "fallback" recovery mechanism for outside-MPC line extensions. The absence of such direction here confirms that Rule 9.A.16 is the only viable option to govern outside-MPC interconnections. Any creative or novel application of Rule 9.C.6, as proposed, would result in a direct violation of the language of Rule 9.C.1, and would render superfluous Rule 9.A.16. Such a result is not supported by Nevada law or Commission precedent.

iii. *Rule 9.C.6's Purpose Is Distribution Buildout, Not Transmission Sharing*

Rule 9.C.6 was crafted for stepwise MPC buildout, recovering costs through annualized refunds for distribution feeders and incremental MPC demand growth. Gosling, once complete, will be a fully built transmission-level substation designed to serve any customer in need, so long as capacity is available, not exclusively for use by the Peru Shelf MPC. The foregoing is self-evident, given the nature of the request from Subsequent Gosling Applicant. This is precisely the type of facility Rule 9.A.16 was designed to cover. To stretch Rule 9.C.6 to transmission-level interconnections would expand it beyond its purpose while depriving Rule 9.A.16 of its intended role.

iv. *Contractual Terms Negotiated Pursuant to Rule 9 Must be Preserved*

Petitioner's SHVD was drafted to preserve both refund mechanisms in parallel: Rule 9.C.6 refunds for within-MPC load (Article 12.2 and Exhibit B-3), and Rule 9.A.16 refunds for outside users (Article 12.3). NV Energy's July 2025 position ignores applicable tariff and contract provisions, effectively nullifying Article 12.3. The Commission should give effect to both provisions, not read one out of existence.

V. CONCLUSION

For the reasons set forth above, the Commission should declare that Electric Service Rule 9.A.16 governs cost allocation for the Subsequent Gosling Applicant's interconnection request to serve load exclusively located outside of the Peru Shelf MPC. Petitioner respectfully requests the Commission issue an advisory opinion, or in the alternative a Declaratory Order, confirming that Rule 9.A.16 governs under these facts and directing that the resulting proportionate share allocation and refund be administered in accordance with Rule 9 and Petitioner's MPC Agreement and SHVD.

Dated this 9th day of February, 2026.

Respectfully submitted,

Reno Power NR I, LLC

/s/ Robert D. Sweetin
Robert D. Sweetin
NV Bar #12647
4675 W. Teco Ave., Suite 249
Las Vegas, NV 89118
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Reno Power NR I, LLC's Corrected Petition for Declaratory Order or Advisory Opinion upon the parties below via electronic mail.

Dated at Las Vegas, Nevada, this 9th day of February, 2026.

/s/ Dakota Councilman
Dakota Councilman
Attorney

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EXHIBIT 1

NVEnergy

PERU SHELF ABNORMAL RISK LINE EXTENSION AGREEMENT FOR A MASTER PLANNED COMMUNITY UMBRELLA

Project Title: Peru Shelf MPC

Agreement No.: [redacted]

This Rule 9 Section C Peru Shelf Line Extension Agreement for a Master Planned Community – Umbrella Agreement (Abnormal Risk) ("**Umbrella Agreement**" or "**Master Planned Community Line Extension Umbrella Agreement**") is made and entered between Sierra Pacific Power Company, a Nevada Corporation, d/b/a NV Energy ("**Utility**") and Reno Power NR 1, LLC, a Delaware limited liability company, qualified to do business in Nevada, ("**Applicant**") (individually, a "**Party**" and collectively, the "**Parties**").

RECITALS

A. Utility owns and operates electric transmission and distribution facilities and provides electric service within Nevada, in accordance with Tariff Schedules filed with and approved by the Commission.

B. Applicant owns or controls a development that meets the criteria in Rule 9, Section C.2.

1) Applicant estimates a total Maximum Demand load of [redacted] (the Estimated Full Build-out Project Load ("**EFBPL**")) from the Electric System, as set forth on <u>Exhibit A-2</u>.

2) Applicant has requested Service, and Utility has agreed to provide Applicant with Service, subject to the terms of this Umbrella Agreement, in two phases to accommodate the development plan that includes:

a. [redacted]

C. Applicant and Utility have agreed to the phased approach to serve the EFBPL that includes the following:

1) Signed concurrently with this Umbrella Agreement is the SHVD agreement [redacted] for Gosling 345 kV switching station for a maximum of [redacted] ("**Gosling SHVD Agreement**").

[redacted]

D. Utility has determined that, under Rule 9, Section A.24, circumstances peculiar to the Development and the Project will subject Utility to Abnormal Risk.

E. In accordance with Rule 9, other applicable provisions in its Tariff Schedules, this Umbrella Agreement and the SHVD Agreements, Utility will provide Service to the Master Planned Community.

In consideration of the above recitals, mutual covenants, terms and conditions contained in this Umbrella Agreement, the Parties agree as follows:

AGREEMENT

1. Master Planned Community

1.1 Ownership of Property. Applicant represents and warrants that it, or its Affiliate, owns or controls the following property, located in the County of Storey, State of Nevada, and that this area constitutes the Master Planned Community ("**MPC**"):

Property Name: Peru Shelf

[redacted]

1.2 MPC Boundary Map, Schedule and Load Forecast.

(A) A map depicting the boundaries and land use of the MPC and any islands within it is attached to this Umbrella Agreement as Exhibit A-1.

(B) A load forecast showing the MPC's proposed load is attached to this Umbrella Agreement as Exhibit A-2. Not later than one month before the end of each calendar year, Applicant must deliver to Utility a 15-year forecast of anticipated load requirements for the MPC for each of the succeeding fifteen (15) calendar years.

[redacted]

1.4 Information Concerning Property on Which the MPC Will Be Located. Within ten (10) business days of Utility's request, Applicant must provide Utility with copies of all documents that are in Applicant's possession or control relating to the property on which the Project(s) will be located, including, but not limited to: leases, contracts and permits, current or not; environmental reports; appraisal reports; plans, permits, maps, and approvals; boundaries and topographical surveys; soils and engineering reports; title reports (including all documents that are exceptions to title set forth thereon), restrictive covenants that are of record or otherwise known to Applicant and applicable to the Project; governmental zoning letters; and any other documents Utility reasonably deems necessary to evaluate the property.

1.5 Condition to Providing Service. Utility is not obligated to provide Service to the MPC, may stop work on the Project(s), and/or may modify the Project schedule(s), within its sole but reasonable discretion, until:

(A) Applicant meets its obligations contained in the Umbrella Agreement and the SHVD Agreements, including but not limited to, the milestone dates shown in SHVD Agreement Exhibit G, each of which shall be considered material except where mutually agreed to by the Parties and subject to notice and cure periods set forth in Section 8 hereof;

(B) Applicant demonstrates to Utility's satisfaction and upon written notice at any time by Utility, that Applicant, or, to Applicant's knowledge, the end-users within the MPC, have the full necessary legal right, title and interests to plan, design, procure for, develop, build and bring utilities into, a master planned data center park;

(C) Applicant has provided all Property Rights to Utility necessary for the Project(s);

(D) Applicant has obtained all Permits necessary for the Project(s);

(E) Utility has received approval for the Project(s), including individually, each phase of the Project(s), through an Integrated Resource Planning ("**IRP**") filing made with the Commission, a Commission docket filed under NRS 704.110 for inclusion of Total Costs into general rates, or other proceeding before the Commission where the Project(s) receives a determination of prudency. Utility is only required to seek approval of each individual phase of the Project(s) in two IRP filings – if either phase of the Project(s) has not been approved by the Commission after two IRP filings (for that phase), a Commission docket filed under NRS 704.110 for inclusion of Total Costs into general rates, or other proceeding before the Commission where the Project(s) receives a determination of prudency. Utility and Applicant may amend or terminate this Umbrella Agreement and any SHVD agreement(s). However, notwithstanding that, if Utility has not received approval of the first phase of the Project(s) after two IRP filings, it will consult with Applicant, who may determine whether or not to (a) amend this Agreement such that Applicant will fund Utility's investment in the Project(s), (b) request Utility terminate this Agreement, or (c) Utility and Applicant may mutually agree to continue to seek approval where reasonable circumstances to do so exist. [redacted]

1.6 Sources of Power. The sources of power from Utility's Electric System to the MPC are subject to change, at Utility's discretion. Applicant understands that Utility's Electric System configuration is dynamic and at the sole discretion of Utility and that interruptions of Service to the MPC, both on scheduled and unscheduled basis, are inherent in the provision of Service to the MPC. Per Applicant's request and Utility Standards, the Project(s) has been developed for redundancy to minimize interruptions of electric service to the MPC.

1.7 Providing Service to the MPC. Utility will provide Service to the MPC in accordance with this Umbrella Agreement, the SHVD Agreements and applicable Laws and Utility's Tariff Schedules.

1.8 Information Provided by and Needed from Applicant. Applicant acknowledges that Utility relies on information provided by Applicant when performing Utility's obligations under this Umbrella Agreement. Applicant acknowledges that it has a continuing obligation to provide the most current and accurate information concerning the MPC to Utility, including information regarding tenants in the MPC.

2. Modification and/or Extension of the Electric System

2.1 Modification/Extension of Utility's Electric System. In order to provide the [redacted] of Service that Applicant is requesting for the MPC's EFBPL, it will be necessary for Utility to modify its existing Electric System. These modifications may include, but are not limited to, Applicant executing the SHVD Agreements for the SHVD Facilities, and Applicant (or a third-party applicant to whom Applicant has wholly assigned this Agreement) may be responsible for some, or all of the Total Costs associated with those facilities as specified in Rule 9 and the SHVD Agreements.

2.2 Substation Site(s). Applicant is required to provide substation sites to Utility, in accordance with Rule 9, Section C.4 and the SHVD Agreements.

3. Load Study

3.1 Identification of Facilities. The load study attached hereto as Exhibit B ("**Load Study**"), identifies those facilities required to adequately accommodate the overall load requirements of all phases of the MPC. Additional facilities might be required for the MPC that are not identified in the Load Study, including but not limited to substation facilities.

3.2 Load Study Based on Minimum Standards to Serve. The Load Study is based on the Utility's minimum Standards to provide Service to the MPC, and the use and application of such Standards do not constitute exceeding the Minimum Requirements.

4. Peru Shelf SHVD & HVD Agreement(s)

4.1 SHVD Facilities. Utility has determined that the MPC creates the need for necessary Electric System improvements, including Substation High Voltage Distribution Facilities ("**SHVD Facilities**"). Applicant agrees to pay for these facilities as required by Rule 9 and the SHVD Agreements defined below. Utility will, in accordance with all applicable Laws, Utility Standards and its Tariff Schedules, work with Applicant on opportunities to seek approval by the Commission of components of Phase 2 not exclusively required for the Service to MPC and for inclusion into Utility's rates. Upon approval by the Commission, Parties will work together to amend the Goose SHVD Agreement to reflect such approval.

4.2 SHVD Agreement(s).

(A) The Parties agree to execute concurrently with this Umbrella Agreement the Gosling 345 kV SHVD Agreement, which addresses Applicant's Total Cost and other responsibilities and the timing and facilitation of Utility's construction of the SHVD Facilities for the [redacted].

[redacted]

[redacted]

5. Changes to the MPC

5.1 Change to the MPC.

(A) Any of the following circumstances shall be considered a change ("**Change**"):

1. If there are any changes to the boundaries, land use, load projections or time frames provided by Applicant to Utility and used in developing the Load Study;
2. If the actual build-out load, or if Applicant's alteration to the MPC's load requirement, exceeds the EFBPL, as determined by Utility in accordance with Good Utility Practice;
3. If the actual build-out load drops below fifty percent (50%) of the MPC's load requirement for the then-current year shown on Exhibit A-2, during the initial forty-eight (48) months of taking Service; or
4. If the actual build-out load drops below eighty percent (80%) of the MPC's load requirement for the then-current year shown on Exhibit A-2, after the initial forty-eight (48) months of taking Service.

5.2 Notice of Change. The Parties must meet within thirty (30) business days after Applicant provides Utility with written notice of a Change, or Utility determines (in its discretion) that a Change has occurred, to evaluate if there is a reasonable likelihood that the Applicant's load will remain below the MPC's load requirement and what impact the Change has, if any, on Utility's Electric System or the facilities required to provide Service to the MPC and consequently on the MPC's actual Service requirements.

5.3 Amendment of Umbrella Agreement and SHVD Agreements: The Parties agree, acting reasonably and in good faith, to modify this Umbrella Agreement and the SHVD Agreements to the reasonable satisfaction of the Parties within thirty (30) business days of meeting or within thirty (30) business days of the Parties agreeing to amend this Umbrella Agreement, whichever date is later. If the Parties are unable to agree on an amendment, then at Utility's sole discretion, Utility may reduce or increase (if applicable) the EFPBL or modify the schedule relating thereto (if applicable), in this Umbrella Agreement and the SHVD Agreements to the extent necessary to address such Change. For the avoidance of doubt, and notwithstanding anything herein to the contrary, if an end user applicant within the MPC is the cause of any Change described above, then any modification of this Umbrella Agreement and/or the relevant SHVD Agreement (whether by mutual agreement of the Parties or otherwise) shall be only with respect to such end user applicant's portion of the MPC and/or EFPBL and shall have no impact on any other end user applicant under the MPC or any portion of the EFPBL yet to be allocated under the MPC.

[redacted]

[redacted]

5.5 No Obligation to Provide Service. Utility is under no obligation under this Umbrella Agreement, or the SHVD Agreements to provide Service to the MPC until after (a) Applicant signs and delivers to Utility all of the amended agreements referenced in Section 5.3 above, and (b) Applicant pays the Total Costs associated with the Change, if any and (c) performs its obligations under this Umbrella Agreement, and the SHVD Agreements. Applicant must not use or take more than [redacted], at an assumed 95% Power Factor, from Utility's Electric System until after Utility's Electric System is modified in accordance with that amendment. As used herein, "Power Factor" shall mean the relationship between real power (active power, measured in watts) and apparent power (the combination of real and reactive power, measured in volt-amperes). Power factor is expressed mathematically as PF = Real Power (kW) divided by Apparent Power (kVA).

6. Confidentiality

6.1 Exchanging Information. Either party (the "**Disclosing Party**") might provide the other party (the "**Receiving Party**") with information to be used in complying with the Umbrella Agreement. Some or all of this information, including, but not limited to, oral information, documents, supplier information, files, drawings, and data, might be confidential.

6.2 Labeling Information Confidential. If a Disclosing Party wants information to be treated as confidential, the Disclosing Party must label the written information as "CONFIDENTIAL" or inform the Receiving Party that non-written information requires confidential treatment ("**Confidential Information**").

6.3 Protection of Confidential Information.

(A) Receiving Party's Obligation to Keep Information Strictly Confidential and Not Disclose It. The Receiving Party must keep the Confidential Information strictly confidential and in a secure location. Receiving Party must also keep any discussion regarding Confidential Information strictly confidential. Receiving Party must not disclose any Confidential Information or a discussion regarding Confidential Information to any Person except as expressly provided in this "Confidentiality" Section or as otherwise approved in writing in advance by the Disclosing Party.

B) Additional Protection of Information. If the Disclosing Party has failed to label or advise Receiving Party that certain information requires protection, the restrictions, and limitations in this "Confidentiality" Section will also apply to the receipt of non-public information that the Receiving Party should reasonably recognize as being confidential. But Receiving Party will not be in breach of its obligations under this "Confidentiality" Section if it reasonably fails to recognize as confidential any information Disclosing Party failed to label, or advise Receiving Party is, confidential.

(C) Transmitting Information. If Receiving Party transmits any Confidential Information electronically or discusses the Confidential Information in an email, it must identify that the information is confidential.

6.4 Return or Destruction of Confidential Information. Upon Disclosing Party's request, Receiving Party must promptly either return to Disclosing Party, or certify the destruction of, all Confidential Information that Receiving Party received, together with all copies, excerpts, notes, and documents derived or generated from the Confidential Information. Notwithstanding the foregoing, the Receiving Party and the Receiving Party's Other Parties will not be required to delete or alter backup copies of computer files created in the ordinary course of business, although if such copies are restored from backup files after the Disclosing Party has requested their return or deletion, such restored files will be promptly deleted to the extent required in accordance with this Umbrella Agreement and the SHVD Agreements.

6.5 Sharing Confidential Information. Receiving Party may disclose Confidential Information only to its Affiliates and to its and its Affiliates' employees, officers, attorneys, consultants, contractors and subcontractors (individually, "**Other Party**", and collectively, "**Other Parties**"); provided, however, that (i) such party has a need to know the Confidential Information for the purpose of performing its obligations under this Agreement and (ii) the Receiving Party agrees to be responsible for any breaches of this "Confidentiality" Section by itself or any of its Other Parties. Disclosing Party reserves the right to refuse to approve or agree to the disclosure of Confidential Information to any Person.

6.6 Request for Confidential Information Through Legal Process. Notwithstanding anything to the contrary in this "Confidentiality" Section, if Receiving Party is requested by a third party or might be legally compelled to disclose any Confidential Information, to disclose excerpts, notes or documents derived or generated from the Confidential Information, or to disclose discussions regarding the Confidential Information, to the extent it is legally permissible it must provide Disclosing Party with prompt written notice after Receiving Party learns that a disclosure is requested or may be compelled, so that Disclosing Party may seek a protective order, injunction, or any other remedy. The written notice must identify with particularity the Confidential Information that is the subject of the request or for which disclosure may be compelled. If a protective order, injunction, or other remedy is not obtained, Receiving Party will furnish only that portion of the Confidential Information that Receiving Party is legally required to disclose. Receiving Party will use commercially reasonable efforts to cooperate with Disclosing Party's counsel, at Disclosing Party's Total Cost, if Disclosing Party seeks to obtain a protective order, injunction, or other remedy or other reliable assurance that confidential treatment will be accorded the Confidential Information.

6.7 Rights and Limitations. Disclosing Party does not grant any right or license, by implication or otherwise, to Receiving Party as a result of Disclosing Party's disclosure or discussion of Confidential Information. Disclosing Party makes no representation or warranties regarding the accuracy or completeness of this information. Receiving Party expressly recognizes that this information is provided "AS IS, WITH ALL FAULTS" and Disclosing Party makes NO WARRANTIES, EXPRESS OR IMPLIED STATUTORY OR OTHERWISE, WITH RESPECT TO THE CONFIDENTIAL INFORMATION AND EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES.

7. Representations

7.1 Utility's Standing in Nevada. Utility represents that, as of the date of this Umbrella Agreement, it is duly organized, validly existing and in good standing under the laws of the State of Nevada with the valid corporate power to enter into and perform all of its obligations under this Umbrella Agreement.

7.2 Applicant's Standing in Nevada. Applicant represents that, as of the date of this Umbrella Agreement, it (i) is duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is registered as a foreign corporation, if applicable, (iii) is licensed to do business in the State of Nevada, and (iv) has valid corporate or governmental power to enter into and perform all of its obligations under this Umbrella Agreement.

7.3 Authority. Each Party has taken all actions as may be necessary or advisable and proper to authorize this Umbrella Agreement, the execution and delivery of it, and the performance contemplated in it. The individuals executing this Umbrella Agreement state and acknowledge that they are authorized and empowered to do so on behalf of the Party so designated.

7.4 [redacted]

8. Default

8.1 Procedure. If a Party ("**Defaulting Party**") fails to comply with any of the terms and conditions of this Umbrella Agreement, within ten (10) days of receiving written notice of such failure from the other Party ("**Non-Defaulting Party**"), the Defaulting Party and Non-Defaulting Party must meet and cooperate in good faith to expedite a solution of the breach. If no solution is reached and the failure continues for thirty (30) days after the meeting between the Defaulting Party and Non-Defaulting Party (or after this meeting was scheduled to occur), then the dispute shall be referred to and finally resolved by arbitration. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association and JAMS Arbitration and Mediation then in effect, as applicable, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The place of arbitration shall be Nevada, and the Parties agree to use JAMS for any arbitration required under this section. Any arbitration conducted, and the results of such arbitration, to the extent permitted by law, shall be confidential (except to the extent required to be disclosed by legal or regulatory bodies and only following the provision of notice of such requirement to the other Party, unless such notice is prohibited by applicable law). The Utility's failure to achieve any scheduled date that is dependent on Applicant's, or a third-party's performance, where such failure can be reasonably demonstrated by Utility to be caused by a delay or failure of such dependency, is not an event of default.

8.2 Notice to Each Party's Legal Department. In addition to sending written notice to a party's MPC Project Manager in Section 12.1, the Non-Defaulting Party must also send a copy of any notice required under this "Default" Section to, with respect to Utility, Utility's Legal Department at the address specified in the "Notices" Section of this Umbrella Agreement and, with respect to Applicant, Applicant's Legal Department at the address specified in the "Notices" Section of this Umbrella Agreement.

9. Force Majeure

9.1 Notice of Force Majeure. If a Force Majeure Event occurs or is anticipated, the affected Party must promptly notify the other Party in writing of the Force Majeure Event. This notice must include a description, cause and estimated duration of the Force Majeure Event. Regardless of the cause, Applicant's failure or inability to pay some or all of the Total Costs is not a Force Majeure Event.

9.2 Duty to Mitigate Effects of Delay. The affected Party must exercise Commercially Reasonable Efforts to shorten, avoid, and mitigate the effects of the Force Majeure Event.

9.3 Notice of Resumption of Performance. The affected Party must promptly notify the other Party in writing when the Force Majeure Event has ended and when performance will resume.

9.4 Liability; Termination Option. Utility is not liable to Applicant for Total Costs incurred as a result of any delay or failure to perform as a result of a Force Majeure Event. In accordance with Rule 9, Section A.27.c.4 and with prior written notice to Applicant, Utility may terminate this Umbrella Agreement without liability to Applicant provided Utility, in consultation with Applicant, first determines the Force Majeure Event renders the Project(s) performance impossible or impractical.

9.5 Notice to Utility's Legal Department. In addition to sending notices required under this "Force Majeure" Section to the MPC Project Manager and to the Utility department identified in Section 12.1, Applicant must also send a copy of all required notices to Utility's Legal Department at the address specified in the "Notices" Section of this Umbrella Agreement.

10. Miscellaneous Provisions

10.1 Utility Indemnity. Applicant agrees to indemnify Utility, its directors, officers, employees, and contractors against and from any claim, loss, cost, suit, judgment, damage, and expense, including reasonable attorneys' fees and legal costs, resulting from a third party claim arising from or are related to (i) Applicant's breach of any representation, warranty, or undertaking under the Umbrella Agreement and the SHVD Agreements; (ii) the acts or omissions of Applicant, or its employees, agents, contractors or subcontractors, in connection with this Umbrella Agreement and the SHVD Agreements, including but not limited to performing any scope of work hereunder without all Property Rights required for such work; (iii) bodily injury to or death of any person (including any employee of Utility) or damage to or loss of use of property resulting from the acts or omissions of Applicant, or its employees, agents, contractors or subcontractors, in connection with the Umbrella Agreement and the SHVD Agreements; or (iv) restrictive covenant(s) or any similar instrument that prevents the MPC and/or Utility's provision of electric service to the MPC in whole or in material part (collectively, a "**Utility Indemnity Claim**"). At Applicant's expense, Utility has sole authority to direct and control its defense and all settlement and compromise negotiations regarding a Utility Indemnity Claim. Applicant must pay all reasonable attorneys' fees and costs that Utility incurs or is subject to as a result of a Utility Indemnity Claim. This indemnity will not apply to the extent the Utility Indemnity Claim is caused by any gross negligence or willful misconduct on the part of Utility. For purposes of Utility's enforcement of this indemnity only, Applicant expressly waives all immunity given to Applicant under the workers' compensation laws or other employee benefits acts of any state or jurisdiction that conflicts with Applicant's indemnification obligations under this "Utility Indemnity" section.

10.2 Applicant Indemnity. Utility agrees to indemnify Applicant, its directors, officers, employees, and contractors against and from any claim, loss, cost, suit, judgment, damage, and expense, including reasonable attorneys' fees, resulting from a third party claim arising from or are related to (i) Utility's breach of any representation, warranty, or undertaking under the Umbrella Agreement and the SHVD Agreements; (ii) the acts or omissions of Utility, or its employees, agents, contractors or subcontractors, in connection with this Umbrella Agreement and the SHVD Agreements; or (iii) bodily injury to or death of any person (including any employee of Applicant) or damage to or loss of use of property resulting from the acts or omissions of Utility, or its employees, agents, contractors or subcontractors, in connection with this Umbrella Agreement and the SHVD Agreements (collectively, an "**Applicant Indemnity Claim**"). At Utility's expense, Applicant has sole authority to direct and control its defense and all settlement and compromise negotiations regarding an Applicant Indemnity Claim. Utility must pay all reasonable attorneys' fees and costs that Applicant incurs or is subject to as a result of an Applicant Indemnity Claim. This indemnity will not apply to the extent the Applicant Indemnity Claim is caused by any gross negligence or willful misconduct on the part of Applicant. For purposes of Applicant's enforcement of this indemnity only, Utility expressly waives all immunity given to Utility under the workers' compensation laws or other employee benefits acts of any state or jurisdiction that conflicts with Utility's indemnification obligations under this "Applicant Indemnity" section. The obligations of Utility in this Section 10.2 remain subject to any applicable laws, regulations and/or electric tariff rules. In the event of any conflict between these obligations and those laws, regulations and/or electric tariff rules, the laws, regulations and/or electric tariff rules shall govern.

10.3 Utility's Tariff Schedules; Commission. This Umbrella Agreement is made by the Parties pursuant to Utility's Tariff Schedules. Those Tariff Schedules apply to this Umbrella Agreement, are binding on the Parties and supersede any portion of this Umbrella Agreement should a conflict arise. However, Rule 9 is the version in effect on the Effective Date unless otherwise specified in this Umbrella Agreement or in particular the SHVD Agreements. Notwithstanding Section 10.11, this Umbrella Agreement is, at all times, subject to such changes or modifications by the Commission as the Commission may from time to time direct in the exercise of its jurisdiction. This Section survives default, expiration, or termination of this Umbrella Agreement and excuse of performance.

10.4 Integration. This Umbrella Agreement, together with documents executed with the same formality as this instrument, represents the entire and integrated agreement between Utility and Applicant and supersedes all prior and contemporaneous communications, representations, and agreements, whether oral or written, relating to the subject matter of this Umbrella Agreement.

10.5 Assignment. This Umbrella Agreement is binding upon the successors and assigns of Applicant effective upon receipt of written consent of Utility, such consent not to be unreasonably withheld. However, no assignment is effective until after the requirements in Rule 9, Section A.19 are complied with, including but not limited to (i) Applicant's successor or assignee agrees in writing to assume all obligations and liabilities under this Umbrella Agreement, (ii) Applicant (in Utility's discretion) agrees in writing to continuing liability in connection with certain obligations (in Utility's discretion and in a writing acceptable to Utility). Notwithstanding the foregoing, Applicant will have the right, without Utility's consent but upon notice to Utility, to assign all of this Umbrella Agreement and the SHVD Agreements, whether by corporate reorganization or otherwise, to an Affiliate; provided that any such Affiliate assumes all of Applicant's applicable rights and obligations hereunder.

10.6 Limitation of Damages. Unless otherwise expressly agreed to herein, and subject to Rule 9, neither Party is liable to the other Party for any consequential, indirect, exemplary or incidental damages, including but not limited to damages based upon delay, lost revenues or profits, in connection with this Umbrella Agreement or the SHVD Agreements. This Section survives default, expiration, or termination of this Umbrella Agreement and excuse of performance for Force Majeure or otherwise.

10.7 Choice of Law and Venue. This Umbrella Agreement is governed by and will be construed in accordance with the laws of the State of Nevada, without giving effect to its choice or conflicts of law provisions. All actions that are beyond the scope of the Commission's jurisdiction must be initiated in the courts of Washoe County, Nevada or the federal district court with jurisdiction over Washoe County, Nevada. The Parties agree they will not initiate an action against each other in any other jurisdiction.

10.8 No Waiver. The failure of either Party to enforce any of the provisions of this Umbrella Agreement at any time, or to require performance by the other Party of any of the provisions of this Umbrella Agreement at any time, will not be a waiver of any provisions, nor in any way affect the validity of this Umbrella Agreement, or the right of any Party to enforce each and every provision.

10.9 Independent Contractor. Neither Applicant nor Utility is, nor will they be deemed to be, for any purpose, the agent, representative, contractor, subcontractor or employee of the other by reason of this Umbrella Agreement. Nothing in this Umbrella Agreement or any contract or subcontract by Applicant will create any contractual relationship between Applicant's employee, agent, contractor or subcontractor and Utility.

10.10 Interpretation. Each Party to this Umbrella Agreement acknowledges that it has carefully reviewed this Umbrella Agreement and that each fully understands and has participated in drafting its provisions, and, accordingly, the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party are not to be employed or used in any interpretation of this Umbrella Agreement.

10.11 Amendments. Any changes, modifications, or amendments to this Umbrella Agreement are not enforceable unless consented to in writing by the Parties and executed with the same formality as this Umbrella Agreement.

10.12 No Third-Party Beneficiaries. Nothing expressed or implied in this Umbrella Agreement is intended, or should be construed, to confer upon or give any Person not a party to this Umbrella Agreement, such as a Party's contractors, any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Umbrella Agreement.

10.13 Remedies. All rights and remedies of a Party provided for in this Umbrella Agreement will be cumulative and in addition to, and not in lieu of, any other remedies available to a Party at law, in equity, or otherwise.

10.14 Headings; Exhibits; Cross References. The headings or section titles contained in this Umbrella Agreement are used solely for convenience and do not constitute a part of this Umbrella Agreement, nor should they be used to aid in any manner in the construction of this Umbrella Agreement. All exhibits attached to this Umbrella Agreement are incorporated into this Umbrella Agreement by reference. All references in this Umbrella Agreement to Sections, Subsections, and Exhibits are to Sections, Subsections, and Exhibits of or to this Umbrella Agreement, unless otherwise specified. And, unless the context otherwise requires, the singular includes the plural, and the plural includes the singular, and the neuter includes feminine and masculine.

10.15 Discretion. Reference in this Agreement to the "discretion" of a Party means the Party's sole and absolute discretion. Such discretion is subject to standards of custom and reasonableness.

10.16 Severability. If any portion or provision of this Umbrella Agreement is invalid, illegal, or unenforceable, or any event occurs that renders any portion or provision of this Umbrella Agreement void, the other portions or provisions of this Umbrella Agreement will remain valid and enforceable. Any void portion or provision will be deemed severed from this Umbrella Agreement, and the balance of this Umbrella Agreement will be construed and enforced as if this Umbrella Agreement did not contain the particular portion or provision held to be void. The Parties further agree to amend the Umbrella Agreement to replace any stricken portion or provision with a valid provision that comes as close as possible to the intent of the stricken portion or provision.

10.17 Counterparts. The Parties may execute this Umbrella Agreement in counterparts. Each of these counterparts, when signed and delivered, is deemed an original and, taken together, constitutes one and the same instrument. A facsimile or email copy of a signature has the same legal effect as an originally-drawn signature.

10.18 Performance of Acts on Business Days. Any reference in this Umbrella Agreement to time of day refers to local time in Nevada. All references to days in this Umbrella Agreement refer to calendar days, unless stated otherwise. Any reference in this Umbrella Agreement to a "business day" refers to a day that is not a Saturday, Sunday or legal holiday (or observed as a legal holiday) for Nevada state governmental offices under the Nevada Revised Statutes. If the final date for payment of any amount or performance of any act required by this Umbrella Agreement falls on a Saturday, Sunday or legal holiday, that payment is required to be made or act is required to be performed on the next business day.

10.19 Authority. Each Party has taken all actions as may be necessary or advisable and proper to authorize this Umbrella Agreement, the execution and delivery of it, and the performance contemplated in it. The individuals executing this Umbrella Agreement state and acknowledge that they are authorized and empowered to do so on behalf of the Party so designated.

10.20 No Pending Actions, Suits or Proceedings. Applicant represents that to its knowledge as of the date of this Umbrella Agreement, there are no actions, suits or proceedings pending or threatened against Applicant in any court or before any administrative agency that would prevent its performance under this Umbrella Agreement. For the avoidance of doubt, Applicant hereby notifies Utility that an Affiliate of Applicant is currently in a legal action relating to the Colocation Covenant and has provided Utility with updates to that action, including a Court Order issued on March 29, 2024.

10.21 Jury Trial Waiver. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS UMBRELLA AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

11. Term and Termination

11.1 Term. This Umbrella Agreement is effective on the Effective Date and will continue for a term of [redacted] unless otherwise terminated under the provisions of this Umbrella Agreement. All amendments to this Umbrella Agreement and the SHVD Agreements also terminate [redacted] after the Effective Date of the Umbrella Agreement.

11.2 Termination of Umbrella Agreement by Applicant or Mutual Agreement. Applicant may terminate the Umbrella Agreement with prior written notice to Utility. If Applicant terminates the Umbrella Agreement, it will terminate thirty (30) days after Utility receives that termination notice. If the Parties mutually agree to terminate the Umbrella Agreement, Utility will document that in a writing sent by Utility to Applicant and this Umbrella Agreement will terminate thirty (30) days thereafter.

11.3 Termination of Umbrella Agreement by Utility. Utility may terminate the Umbrella Agreement, pursuant to Rule 9, Section A.27.c, or if Applicant otherwise breaches any term or condition of the Umbrella Agreement and/or SHVD Agreements and Applicant thereafter fails to cure the breach to Utility's satisfaction and within the requisite timeframe as provided for in the Umbrella Agreement and/or SHVD Agreements (or if no timeframe is provided, then within sixty (60) days). If Utility terminates the Umbrella Agreement, this Umbrella Agreement will terminate thirty (30) days after Utility provides Applicant with written confirmation that Utility met and conferred with Applicant or made Commercially Reasonable Efforts to do so.

11.4 Obligations Surviving Default, Expiration, or Termination. Any default or termination of this Umbrella Agreement or excuse of performance for a Force Majeure Event or otherwise does not release Applicant from any liability or obligation to Utility for:

(A) Obligations under Section 2.1;

(B) Obligations under Article 6;

(C) Obligations under Section 10.1 and 10.2; and

The provisions of Section 10.3, Section 10.6, Section 10.7, Section 10.21 and Article 12 and continue to apply to this Section.

12. Notices

12.1 Method of Delivery; Contacts. Each notice, consent, request, or other communication required or permitted under this Umbrella Agreement must be in writing, delivered personally, sent by electronic mail or sent by certified mail (postage prepaid, return receipt requested) or by a recognized international courier (provided that if a notice is sent in a manner other than electronic mail, the parties must also provide a copy by electronic mail), and addressed to the Party's MPC Project Manager as follows:

[redacted]

12.2 Notice to Parties Legal Department. For any notice given by Applicant to Utility under Section 6.6, Article 8, Article 9, Section 11.2 or Rule 9, Section A.28, Applicant must also send a copy to Utility's Legal Department be delivered to the following address:

[redacted]

[redacted]

12.3 Receipt of Notice; Change of Information. Each notice, consent, request, or other communication required or permitted under this Umbrella Agreement is deemed to have been received by the Party to whom it was addressed (i) when delivered if delivered personally; (ii) on the third business day after the date of mailing if mailed by certified mail; (iii) on the date the Party sends the electronic mail provided that Party does not receive a failed delivery notification; or (iv) on the date officially recorded as delivered according to the record of delivery if delivered by courier. Each Party may change its MPC Project Manager or contact information for purposes of the Umbrella Agreement by giving written notice to the other Party in the manner set forth above.

13. Definitions

13.1 Terms Defined in Rule 1. As used in this Umbrella Agreement, the following capitalized terms have the meanings ascribed to them in Rule 1: Abnormal Risk; Commission; Contribution in Aid of Construction ("**CIAC**"); Customer; Service; Standards.

13.2 Terms Defined in Rule 9. As used in this Umbrella Agreement, the following capitalized terms have the meanings ascribed to them in Rule 9: Advance; Affiliate; Commercially Reasonable Efforts; Estimated Full Build-out Project Load ("**EFBPL**"); Estimated Total Cost; High Voltage Distribution ("**HVD**"); Person; Project; Property Rights; Refund; Total Costs; Total Cost True-up; Total Cost True-up Support.

13.3 Additional Definitions. In addition to the terms defined elsewhere in this Umbrella Agreement, as used in this Umbrella Agreement, the capitalized terms below will have the following definitions.

(A) Affiliate: A person, from time to time, that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person. The term "control" under this definition shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(B) Contact: The individual appointed by each Party to serve as the single point of contact for all issues relating to the Umbrella Agreement, as identified in the "Notices" Section.

(C) Effective Date: The date this Umbrella Agreement is last signed below.

(D) Electric System: Utility's underground and/or above-ground communication facilities and electric line systems for the distribution and transmission of electricity.

(E) Force Majeure Event: An event or condition that is beyond the affected Party's control, occurs without the fault or negligence of the affected Party and renders MPC Project performance impossible or impractical. Force Majeure may include, but is not limited to, government agency orders, war, riots, acts of terrorism, civil insurrection, fires, floods, earthquakes, epidemics, pandemics, weather, strikes, lock-outs, work stoppages and other labor difficulties.

(F) Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

(G) Law: Any federal, state, or local code, ordinance, rule, statute, enactment, regulation, or order. Any specific reference to a Law in this Umbrella Agreement refers to the Law as amended from time to time unless otherwise specified.

(H) Master Planned Community: The property more particularly described in Section 1.1 and Section 1.2 that Applicant is developing, that meets the criteria in Rule 9, Section C.2 and for which Applicant has applied to the Utility for Service.

(I) MPC Project Manager: The individual with authority to act as an agent of Utility or Applicant for purposes of this Umbrella Agreement, as identified in the "Notices" Section.

(J) Permit: Any applicable approval, permit, consent, waiver, exemption, variance, franchise, order, authorization, right, action, or license required from any federal, state, or local governmental authority, agency, court or other governmental body having jurisdiction over the matter in question which is necessary for the Parties to perform their obligations under this Umbrella Agreement and under the applicable Laws. Any specific reference to a Permit in this Umbrella Agreement refers to the Permit as amended from time to time unless otherwise specified.

(K) Project ID or PID: The identification number Utility assigns to an MPC Project.

(L) Rule 1: Utility's Electric Service Rule No. 1, Definitions. Rule 1 is part of the Tariff Schedules.

(M) Rule 9: Utility's Electric Service Rule No. 9, Electric Line Extensions. Rule 9 is part of the Tariff Schedules.

(N) Substation: The proposed Utility owned facilities being constructed by Utility in connection with the SHVD Agreements of which [redacted] is needed for Service to the MPC.

(O) Tariff Schedules: The entire body of effective rates, charges, and rules, collectively, of Utility as set forth in its rate schedules and rules for electric customers, as those rates, charges, and rules are amended from time to time.

[signature page follows]

NVEnergy

PERU SHELF
ABNORMAL RISK
LINE EXTENSION AGREEMENT FOR A MASTER PLANNED COMMUNITY UMBRELLA

Project Title: Peru Shelf MPC

Agreement N[redacted]

[redacted]

PERU SHELF
Abnormal Risk
LINE EXTENSION AGREEMENT FOR A MASTER PLANNED COMMUNITY UMBRELLA

Project Title: Peru Shelf MPC

Agreement No.: [redacted]

Exhibit A-1
MPC Boundary & Land Use

[Attached]

[redacted]

NVEnergy

PERU SHELF
Abnormal Risk
LINE EXTENSION AGREEMENT FOR A MASTER PLANNED COMMUNITY UMBRELLA

Project Title: Peru Shelf MPC

Agreement No.: [redacted]

Exhibit A-2
MPC Estimated Full Build-out Project Load

[Attached]

EXHIBIT A-2

MPC ESTIMATED FULL BUILD-OUT PROJECT LOAD

**** Needs to be coordinated across MPC and Umbrella & SHVD Agreements ****

	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]													

[redacted]

Exhibit G - In-Service Date [redacted]

Notes:

- Service prior to Project In-Service Date will be based on Applicant's application for service from distribution system.
- [redacted]
- Load change is estimated for the beginning of each year

EX BIT 1 Reno Power NR I LLC 0023

PERU SHELF
Abnormal Risk
LINE EXTENSION AGREEMENT FOR A MASTER PLANNED COMMUNITY UMBRELLA

Project Title: Peru Shelf MPC

Agreement No.: [redacted]

Exhibit B
Load Study

[Attached]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

EXHIBIT 2

RULE 9, SECTION C
MASTER PLANNED COMMUNITY
SUBSTATION AND HIGH VOLTAGE DISTRIBUTION AGREEMENT
(ABNORMAL RISK)
AGREEMENT NO. [redacted]

Between

SIERRA PACIFIC POWER COMPANY D/B/A
NV ENERGY

And

RENO POWER NR 1, LLC a Delaware limited liability company

[redacted]

Gosling 345 kV Switching Station

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Table of Contents

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

This Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement Gosling 345 kV (Abnormal Risk) ("**SHVD Agreement**") is entered into by and between Sierra Pacific Power Company, a Nevada corporation, d/b/a NV Energy ("**Utility**") and Reno Power NR 1, LLC, a Delaware limited liability company, qualified to do business in Nevada ("**Applicant**") (individually, a "**Party**" and, collectively, the "**Parties**").

RECITALS

(A) Utility owns and operates electric transmission and distribution facilities and provides electric service to the public in accordance with Tariff Schedules filed with and approved by the Commission.

(B) Applicant is developing a Master Planned Community ("**MPC**") commonly known as Peru Shelf.

(C) Signed concurrently with this SHVD Agreement, Applicant and Utility will enter into the Peru Shelf Line Extension Agreement for a Master Planned Community – Umbrella Agreement number [redacted] ("**Umbrella Agreement**")

(D) Applicant has projected a build-out schedule and electric load requirements for its MPC. Applicant estimates a maximum load of [redacted] (the Estimated Full Build-out Project Load ("**EFBPL**") from the Electric System, as set forth on <u>Exhibit B-6</u>. Applicant requests that Utility provide, and Utility agrees to provide, Service to the MPC based on Applicant's projected load requirements.

(E) [redacted]

(F) After performing the Tests in Rule 9, Section C.4.b, Utility determined that the Master Planned Substation and High Voltage Distribution is required principally for the purpose of providing Service to the MPC.

(G) Utility has determined that, under Rule 9, Section A.24, circumstances unique to the MPC will subject Utility to Abnormal Risk.

(H) Applicant has projected a build-out schedule and electric load requirements for the entire MPC, based on its conceptual plan, rather than individual developers' plans.

(I) Applicant acknowledges that it must pay and/or secure Reduction of Service or Termination Charges, if any, in accordance with Rule 9, Section A.25 and this SHVD Agreement.

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

(J) Applicant acknowledges that it must pay a Customer Specific Facilities Charge for Utility to operate, maintain, modify, and replace the facilities and that, notwithstanding Section 20.11, the charge may be revised by the Commission in each Utility general rate case or similar ratemaking proceeding.

(K) Applicant agrees to pay the Total Costs in accordance with Rule 9, Sections A.3, A.11 and A.26, and Rule 9, Section C, as further detailed on Exhibit B-1 and Exhibit B-2, which may change from time to time; and

(L) Applicant agrees to pay the Tax Gross-up, as may be applicable, in accordance with Rule 9, Section A.18.

(M) Applicant acknowledges that it must follow Utility's procedures for identifying and resolving conflicts between the MPC and the Electric System and that Utility will only waive or approve a particular conflict through Utility's standard use agreement signed by the property owner(s) and Utility, duly notarized, and recorded.

In accordance with Rule 9 and in consideration of the above recitals, the mutual covenants and the terms and conditions contained in this SHVD Agreement, the Parties agree as follows:

AGREEMENT

Article 1 Service to the MPC

1.1 Identification of SHVD Facilities. The MPC load study, which is based on information provided by Applicant, is attached hereto as Exhibit F (**Load Study**") and identifies those facilities required to adequately accommodate the EFBPL. The Load Study, however, does not reserve electrical capacity on Utility's Electric System for the MPC. The Umbrella Agreement details the electrical capacity for the MPC. Additional facilities might be required for Service to the MPC that the Load Study does not identify, including, but not limited to, additional substation facilities, communication facilities, High Voltage Distribution, and distribution facilities.

1.2 Load Study is Based on Minimum Requirements to Serve. The Load Study is based on the Minimum Requirements to provide Service to the MPC.

1.3 [redacted]

1.4 Sources of Power to the MPC. The sources of power from the Electric System to the MPC are subject to change, at Utility's discretion. Applicant understands that (i) the Electric System configuration is dynamic and at the sole discretion of Utility and (ii) interruptions of electric service to the MPC, both on a scheduled and unscheduled basis, are inherent in the provision of Service to the MPC. Per Applicant's request and Utility Standards, the Project has been developed for redundancy to minimize interruptions of electric service to the MPC.

1.5 Change in the MPC's EFBPL. Changes to the MPC's EFBPL shall be subject to the terms in the Umbrella Agreement.

1.6 Customer Specific Facilities Charge. Applicant must pay a Customer Specific Facilities Charge (defined in this section below) for Utility to operate, maintain, modify, and replace, and finally remove the SHVD Facilities. After the Project is Construction Complete, Utility will bill Applicant annually the CSFC identified in Exhibit B-4 to be paid annually by the Applicant. Notwithstanding Section 20.11, the CSFC Applicant must pay will be modified by Utility when it performs the true-ups described in Section 12.6 and from time to time as approved by the Commission in each Utility general rate case or similar ratemaking proceeding. After Utility or the Commission modifies the CSFC, Utility will send Applicant a courtesy notice that the CSFC has changed. Applicant acknowledges that some or all of the CSFC is based on estimated Total Costs or estimated expenses, that such estimates do not constitute errors or omissions and that Utility will not retroactively adjust billings that contained a CSFC to account for a modification to the CFSC. A "Customer Specific Facilities Charge" or "CSFC" means a Tariff-Schedule-based, ongoing payment that Utility will bill for annually for the MPC that enables Utility to recover ongoing operation, maintenance, modification, replacement, and removal expenses associated with the SHVD Facilities.

1.7 Other Services Provided by Utility. Utility may provide other services to Applicant, such as the supply and delivery of electric energy to the MPC, in accordance with the Tariff Schedules, Rule 9 (as amended) and Utility's procedures and those other services that are not within the scope of this Agreement. Nothing in this SHVD Agreement will be construed as affecting or limiting Utility's right to make application to the Commission for a change in rates, charges, or rules for electric service.

1.8 Providing Service to MPC. Utility will provide Service to the MPC in accordance with the Umbrella Agreement and this SHVD Agreement, applicable Laws and the Tariff Schedules. However, if there is a Reduction of Service before the Agreement terminates or if Applicant is not using the capacity or cannot sufficiently demonstrate a need for the capacity Utility made available to Applicant in connection with the Umbrella Agreement and this SHVD Agreement, Utility (in its discretion) may reallocate the unused capacity to other Customers or Applicants.

Article 2 Scope of Work; Coordination of Activities; Design

2.1 Utility's Scope of Work. Utility will, perform (or cause to be performed) the following in connection with the Utility SHVD Facilities:

(A) Perform engineering, survey, right-of-way work, potholing, soil exploration, testing, and other work in order to prepare the Design in accordance with Utility's Standards, the Tariff Schedules and the One-line.

(B) Prepare the Design, identifying all known Contingent Facilities.

(C) Support Applicant in the preparation of Property Rights documents that Utility, in its discretion, determines are necessary in connection with the Project.

(D) Procure equipment and materials for the Project.

(E) Support Applicant in the acquisition of Permits and comply with all Permits required for the Project, including, but not limited to, those for dust control, grading, stormwater, special use, and those for construction, operation and maintenance of the SHVD Facilities.

(F) Perform survey work associated with the Property Rights that Utility, in its discretion, determines are necessary in connection with the Project.

(G) Install the SHVD Facilities in accordance with the Design and One-line and perform construction work in connection with the Project.

(H) Test and commission the SHVD Facilities.

(I) Perform other work Utility determines is necessary to complete the Project.

2.2 Applicant's Scope of Work. Applicant will, at Applicant's expense, perform (or cause to be performed) the following in connection with the Project:

(A) Acquire and comply with all Permits required for the Project, including, but not limited to, those for dust control, grading, stormwater, special use and/or highway crossing and those for construction, operation and maintenance of the SHVD Facilities.

(B) Acquire Permits required for Improvements being constructed by Applicant.

(C) Grant, convey and/or acquire and convey all Property Rights in connection with the Project in accordance with Article 3.

(D) Grant and convey (or cause to be granted and conveyed) the Site to the Utility; the Parties will execute a Purchase Agreement; which terms will govern the conveyance of the Site to Utility (the "**Purchase Agreement**").

(E) Install the Improvements in accordance with the requirements in this SHVD Agreement.

(F) Provide and maintain reasonable access roads to all electrical and communication facilities being installed in connection with this SHVD Agreement.

(G) Perform the above-described scope of work in accordance with the Schedule, which may change from time to time as described in Article 6.

2.3 Coordination of Activities.

(A) Joint Preparation of Access Plan. Before Utility commences construction on the Site (in accordance with Exhibit G), Applicant and Utility must work together to develop an access plan for the Site that (i) identifies Utility's employees and/or contractors who will need access to the Site; (ii) identifies the points of ingress and egress to the Site that Utility and/or its contractors will use; (iii) identifies routes and areas of the Site Utility and/or its contractors will access; (iv) describes certification and escort procedures and requirements; and (v) identifies safety and environmental policies applicable to Utility's employees and/or contractors that are necessary for the purposes of this SHVD Agreement. The foregoing is referred to as the "Access Plan". The Parties must work together to amend Access Plan as necessary. Applicant acknowledges that the In-Service Date might be delayed because of restrictions on Utility's employees and/or contractors' access to the Site. Applicant must provide Utility and its contractors with copies of any safety and environmental policies identified in the Access Plan.

(B) Non-Interference with Utility's Construction and Operation. Applicant's construction and installation of its improvements and/or its MPC must not interfere with Utility's construction, operation and maintenance of the Project or other facilities Utility is installing in connection with the Project. If Applicant's activities do interfere, Applicant must take all steps necessary (at Applicant's Total Cost) in a mutually agreed upon time frame to stop the interference and remedy it so that Utility's construction, operation, and maintenance activities can continue without conflict.

(C) Non-Interference with Applicant's Construction and Operation. Subject to Utility's contractual obligations, the Access Plan and the Schedule, Utility's construction and installation of its improvements must not interfere with Applicant's construction, operation and maintenance of its improvements or other facilities on the Site that Applicant is installing in connection with the MPC. If Utility's activities do interfere, Utility must take all steps reasonably necessary (at Applicant's Total Cost) in a mutually agreed upon time frame to stop the interference and remedy it so that Applicant's construction activities can continue without conflict.

2.4 Ownership of Improvements and SHVD Facilities.

(A) Ownership of Improvements. Legal title to and ownership of an Improvement will transfer to Utility after (i) Utility provides Acceptance of the particular Improvement, (ii) Applicant delivers the required Lien Releases in Section 7.12 and the Officer's Certificate required by Section 8.9 and (iii) the Grant, Bargain Sale deed for the Site is recorded in Utility's name. Applicant guarantees that such legal title to and ownership of the Improvements will pass to Utility free and clear of any and all liens, claims, security interests or other encumbrances, other than permitted encumbrances or other exceptions to title mutually agreed in writing by the Parties.

(B) Ownership of Facilities and Equipment. All SHVD Facilities constructed, and equipment installed by Utility in connection with this SHVD Agreement, and the Project, are deemed to be property owned, maintained, and controlled by Utility. Utility has the right to use the SHVD Facilities for any purpose, including to provide electric service to any customer, subject to compliance with all applicable law and provided same does not impact the capacity or Service Connections the Applicant has rights to under the MPC Umbrella Agreement and this SHVD Agreement. Utility may also allow designated telecommunications carriers and cable television companies to use the SHVD Facilities and equipment if Utility is required to do so by the federal Telecommunications Act or other applicable Law.

2.5 Developing Preliminary Layout and Design for the Project.

(A) Preparing the Preliminary Layout. Based on information provided by Applicant and in accordance with Utility's Standards, Utility has prepared the Preliminary Layout. Applicant has confirmed to Utility and Utility has agreed that the Preliminary Layout does not conflict with the MPC. The Preliminary Layout is attached as Exhibit C-2.

(B) Updating the Design. The Parties will work together in good faith to finalize the general arrangement and one-line diagram for the Project. Once final, the Parties agree to amend this Agreement to include such final, agreed design as an exhibit hereto and, thereafter, any updates or changes to such final design shall be documented through an amendment to this Agreement.

(C) Ownership of Design. Applicant acknowledges and agrees that, if Utility produces (or causes to be produced) the Design, Utility is and will be the sole and exclusive owner of all right, title and interest to, including all intellectual property rights in and to, that design (including that which may qualify as "works for hire") under United States copyright law and comparable laws worldwide – whether or not that design was developed by Utility individually or jointly with Applicant. Any Design is deemed Utility's proprietary information.

(C) Disclaimer of Warranty(ies). With respect to the Designs (and any modified Designs) and unless expressly stated otherwise in this SHVD Agreement, UTILITY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, including any implied warranty of merchantability or fitness for a particular purpose.

Article 3 Property Rights

3.1 Property Rights Applicant Must Grant to, or Acquire for, Utility.

(A) Applicant's Obligation to Grant and Convey Property Rights. Applicant must, without expense to Utility, grant and convey all Property Rights (or use Commercially Reasonable Efforts to obtain for Utility) that Utility deems it reasonably requires for the Project, including without limitation:

1. A permanent unrestricted Access Easement to the Site for Utility and its employees, representatives, contractors and any successor in interest to Utility under this Agreement, ingress and egress access to the Site;
2. Easements for the locations of transmission lines, high voltage distribution lines, telecommunications, and distribution feeders, including possible future facilities required by Utility from Gosling 345 kV Switching Station; and
3. The type, location and form of the Property Rights must be satisfactory to Utility (including, but not limited to, the dimensions of the Property Rights area and terms and conditions relating to the Property Rights). If Applicant cannot obtain one or more Property Rights, Utility (at Applicant's Total Cost) will, if permitted by applicable Law, acquire those Property Rights so that the type, location and form are satisfactory to Utility (including, but not limited to, the dimensions of the Property Rights area and terms and conditions relating to the Property Rights.

(B) Form of Easements. Applicant must grant and convey, and cause third parties to grant and convey, all easements reasonably required by Utility in the forms that Utility will provide separately to Applicant and acknowledged by the Parties.

(C) Form of Rights of Entry. Applicant must grant and convey, and cause third parties to grant and convey, all rights of entry reasonably required by Utility in the forms that Utility will provide separately to Applicant and acknowledged by the Parties. Notwithstanding the foregoing, any easements reasonably required by Utility under this section that are not for the purpose of the Project and providing service to the MPC shall be in locations mutually agreed between Applicant and Utility and shall be conveyed at fair market value of such easement area.

(D) Form of Use Agreements. Applicant must execute, and cause third parties to execute, Transmission Use Agreements and Distribution Encroachment Agreements to Utility in the form that Utility will provide separately to Applicant and acknowledged by the Parties.

(E) Form of Consent and Subordination Agreements. With respect to any Easement granted under this SHVD Agreement, Applicant must obtain and deliver Consent and Subordination Agreements reasonably required by

Utility in the form that Utility will provide separately to Applicant and acknowledged by the Parties.

(F) Conveyance of Site including Access.

1. In accordance with Rule 9, Section C.4, Applicant must convey or cause third parties to convey the Site and access to the Site.

2. The Site, including the Improvements, must be of sufficient size, at Utility's determination acting reasonably and consistent with past practice, for the full build-out capacity of the MPC to accommodate the Phase 1 portion of the EFBPL and the conveyance must occur in accordance with the Schedule. In no case, and irrespective of any future Phases of the Project, shall Utility require Applicant to convey more land than necessary for purposes of building the facilities, per Utility's Standards, required under this Agreement for Phase 1.

3. Parties will execute the Purchase Agreement in the form that Utility will separately provide to Applicant, subject to reasonable negotiation between the Parties, which will further govern the conveyance of the Site to Utility.

(G) Form of Indemnity Agreement. Applicant must execute and cause third parties to execute Title Exception Indemnity Agreement(s) related to title exceptions that are not removed and not otherwise accepted by Utility, in the form that Utility will provide separately to Applicant and acknowledged by the Parties.

(H) Timing of Easements. In Utility's reasonable discretion, Applicant must grant or obtain easements for Utility before any required street dedication(s).

(I) Appraisals. In Utility's discretion and at Applicant's Total Cost, Utility may obtain an appraisal(s) of the Property Rights.

3.2 Ongoing, Blanket Non-Exclusive Easement for Ingress, Egress, and Access. Subject to the Access Plan, Applicant grants to Utility and its employees, representatives, contractors and assigns that have been certified or are escorted (and will cause any Affiliate to grant to Utility and its employees, representatives, contractors and assigns) the right of access, ingress and egress, over and across portions of the Site and any other property owned or controlled by Applicant (or any Affiliate) as necessary for Utility to carry out its obligations under this SHVD Agreement and to operate, add to, maintain and modify the SHVD Facilities and Applicant must not obstruct or otherwise interfere with these rights.

3.3 Condition Precedent to Commence Construction. Utility is not obligated to commence construction of the Project or otherwise perform its obligations under this SHVD Agreement until after the required Property Rights are permanently granted to Utility in a manner that is satisfactory to Utility as to type, location, and form (including, but not limited to, the dimensions of the Property Rights area and terms and conditions relating to the Property Rights) and the Improvements have been completed in accordance with the Schedule and this SHVD Agreement.

3.4 Applicant's Obligation to Provide a Site and Location of the Site.

(A) Obligation to Provide Site. In accordance with Utility's Standards and Rule 9, Section C., Applicant must convey the Site or cause the Site to be conveyed to Utility in fee ownership.

(B) Providing an Alternative Site. Applicant must correct any exceptions to title or other unacceptable conditions with respect to the Site as determined by Utility in its reasonable discretion or sign Utility's Indemnity Agreement (as that term is defined in the Purchase Agreement) for those exceptions to title that cannot be corrected; or, in Utility's discretion, Applicant must provide an alternative site mutually acceptable to the Parties ("**Alternative Site**") if:

1. Utility determines, in Utility's discretion at any time prior to conveyance of the Site in fee to Utility, that conditions on the Alternative Site do not meet Utility's requirements to build electrical facilities.
2. Any necessary Permits for the proposed electrical facilities to be constructed on the Alternative Site are not obtained.
3. Condemnation or eminent domain proceedings are proposed, threatened, or commenced against any portion of the Site and Utility determines that the condemning authority's acquisition no longer makes it feasible to construct the Project to provide Service to Applicant and Service to Utility's other customers from the Site; or
4. The Site is totally or partially destroyed and cannot, with reasonable diligence, be repaired or restored by Applicant at Applicant's cost.

If the Parties mutually agree in writing to an Alternative Site(s), the requirements or obligations in this SHVD Agreement that relate to the Site will also apply to the Alternative Site(s), including, but not limited to, those in Section 3.1, Section 3.2, Section 3.3 Section 3.4(A) Section 3.4(B), and Section 3.5.

3.5 Condition of the Site.

(A) No Creation of Other Interest or Right. The Site must not be subject to – and Applicant must not create or allow the creation of – any possessory or non-possessory right or interest in favor of any Person that is not of record as of the Effective Date, including, but not limited to, easements, leases, deeds of trust, codes, covenants and restrictions, and special/local improvement district assessments. If the Parties agree on an Alternative

Site, the Alternative Site(s) must not be subject to – and Applicant must not create or allow the creation of – any possessory or non-possessory right or interest in favor of any Person that is not of record as of the date the Parties mutually agree in writing to the Alternative Site(s), including, but not limited to, easements, leases, deeds of trust, codes, covenants and restrictions, and special/local improvement district assessments.

(B) No Hazardous Materials. The Site must be free of Hazardous Material and contaminated soil.

3.6 Completing Remediation Before Inspection. Before sending Utility a Notice of Request for Inspection and at least twelve (12) months before the target In-Service Date identified in Article 6 below, Applicant must complete remediation of the Site in accordance with the Purchase Agreement.

Article 4 Identification and Resolution of Conflicts; Costs Associated with Conflicts

4.1 Identification of Conflicts. Applicant must identify, in writing and in a manner satisfactory to Utility, all conflicts between (i) the MPC and the Electric System located within the MPC, (ii) the MPC and the Electric System located within or adjacent to offsite improvements required for the MPC, (iii) the MPC and the Electric System located adjacent to the MPC, and (iv) the MPC and Utility's Property Rights within and adjacent to the MPC.

4.2 Resolution of Conflicts with Utility's SHVD Facilities and Payment of Costs. If Applicant, its agents, its contractors, or its subcontractors damage, have damaged, render unsafe or have rendered unsafe the Electric System located within or adjacent to the MPC, or to the offsite improvements required for the MPC, Applicant must (i) pay all actual costs to render those facilities safe, to relocate the facilities impacted, and to construct any new facilities needed and (ii) where applicable, provide or obtain Property Rights in Utility's name for the relocated facilities and/or new facilities, at no cost to Utility and in a location and form satisfactory to Utility (including, but not limited to, the type of Property Rights, the dimensions of the Property Rights area, and terms and conditions of the Property Rights). If Service to MPC is impacted and Utility is unable to effect immediate repairs, Utility shall meet with Applicant to discuss Utility's plan for restoration of power.

4.3 Resolution of Conflicts with Utility's Rights and Payment of Costs. If Applicant, its agents, its contractors, or its subcontractors interfered with Utility's Property Rights, Applicant must (i) pay all actual costs incurred by Utility that are associated with the interference and (ii) either remove the interference and return the Property Rights area to a condition that is usable by Utility or provide or obtain replacement Property Rights in Utility's name, at no cost to Utility and in a location and form satisfactory to Utility (including, but not limited to, the type of Property Rights, the dimensions of the Property Rights area, and terms and conditions of the Property Rights).

4.4 No Obligation to Perform Obligations. Utility does not have an obligation to provide Service to the MPC or perform its obligations under this SHVD Agreement until after Applicant meets its obligations under this Article to Utility's reasonable satisfaction.

Article 5 Acquisition and Support of Permits

5.1 BLM Right of Way Grant(s). When necessary and, at Applicant's Total Cost, Applicant will obtain any BLM Right-of-Way Grant(s), and any other federal-land Permits, required for the Project, and perform work necessary to comply with conditions in these Permits, including but not limited to follow-up environmental work, obtaining federal-agency approval of work performed and preparing as-built survey plans.

5.2 Permits for the Project. Applicant, at Applicant's Total Cost, will obtain all necessary Permits required for the Project, including the Improvements, that allows for the Utility's operation, modification and maintenance of the SHVD Facilities and any other infrastructure Utility is installing and/or will own in connection with this SHVD Agreement, including, but not limited, to those for dust control, grading, stormwater, Utility Environmental Protection Act ("UEPA") and any other required building or construction permits, as coordinated and agreed to between the Parties. Once the Property Rights are acquired, all permits related to such Property Rights shall be held by Utility.

5.3 Utility's Support. At Applicant's request, Utility will support Applicant's Permit application(s). Utility's support may include executing documentation to support Applicant's request for the particular Permit and other actions reasonably requested to assist Applicant in obtaining Permits Utility determines are required.

Article 6 Target In-Service Date

6.1 Target In-Service Date(s) of the Project. Based on the load requirements identified in Exhibit F and using information provided by Applicant, the target In-Service Date(s) for the Project is based on the milestone dates shown in Exhibit G ("**Schedule**"), which may be adjusted by the mutual agreement of the Parties. Applicant represents that it will complete construction of the Improvements in accordance with Exhibit G. The Parties agree that, notwithstanding Section 20.11, these revisions will not require an amendment to have binding effect.

6.2 Project Schedule; Constraints. Utility will use Commercially Reasonable Efforts to place the Project in operation in accordance with the Schedule, but failure to meet any scheduled date is not a Utility event of default. Applicant acknowledges that Project completion, the In-Service Date and Service to the MPC are subject, without limitation, to the following, and Applicant accepts that the In-Service Date and Service may be delayed if these obligations are not met:

(A) Scheduling of required electrical outages, which may be limited by Electric System operational and maintenance requirements, including such things as restrictions against scheduled transmission line outages on the electric power system as determined by Utility in its discretion;

(B) Utility's obligations to its other customers to ensure the reliability and safety of its Electric System and to adhere to applicable reliability criteria;

(C) Contingent Facilities, as shown in Exhibit F and Exhibit G, are Construction Complete and energized;

(D) Applicant meets its obligations and milestones dates contained in Exhibit G;

(E) Applicant paying invoices for the Total Costs (and associated Tax Gross-up) and providing all Security per this SHVD Agreement;

(F) Favorable weather conditions;

(G) Applicant identifying and resolving conflicts in conformance with Article 4;

(H) All Permits being obtained, including, but not limited to, any that may be required by the Commission;

(I) Utility receiving permanent Property Rights for the Project that are satisfactory to Utility;

(J) Applicant completing any remediation obligations in accordance with Section 16.4;

(K) Applicant performing calibration and functional trip tests of its protection facilities, providing the test results to Utility and Utility accepting those results, if applicable;

(L) All communications upgrades as described in Exhibit B-1 being completed.

(M) SCADA indications for Project being operational and fully-tested;

(N) Utility and Applicant trip testing Applicant's interrupting device(s) from Utility's Electric System control center, if applicable;

(O) Utility and Applicant having an energization process meeting one (1) week prior to energization event, if applicable; and

(P) Applicant acknowledging in a writing delivered to Utility that all Applicant systems are adequately protected and have been tested, if applicable.

6.3 No Obligation to Start Construction. Notwithstanding anything to the contrary and without liability to Applicant, Utility is not required to provide an Acceptance of the Improvements or start construction of the Project until after:

(A) The conditions under Section 1.5, (B), (C), (D) and (E) of Umbrella Agreement [redacted] are satisfied;

(B) All Permits are obtained;

(C) Applicant conveys, or causes to be conveyed, all Property Rights to Utility in a timely manner and in conformance with Article 3;

(D) Applicant identifies and resolves conflicts in accordance with Article 4;

(E) The Improvements and be completed and in compliance with the Civil Improvement Plans, as described as described in and defined in the Engineering Scope of Work, and Utility Standards;

(F) Utility receives all required Lien Releases; specific to the Improvements.

(G) Utility receives the Officer's Certificate;

(H) All environmental remediation, if applicable, is completed and accepted by all necessary environmental agencies, Applicant and Utility in conformance with Article 16;

(I) Applicant pays Total Costs invoiced in accordance with Rule 9 and Article 12; and

(J) Applicant provides all Security in accordance with Section 12.9.

(K) Title Exception Indemnity Agreement is executed by Parties, if applicable.

Article 7 Improvements

7.1 Design, Construction, and Installation of Certain Improvements. In accordance with Utility's Standards, the Civil Improvement Plans, all applicable Laws, all Permits and as otherwise required in Article 7 and Article 8, Applicant must design, construct, and install all On-Site Improvements, Perimeter Wall Improvements and Off-Site Improvements (together, collectively known as, "**Improvements**").

(A) On-Site Improvements. On-Site Improvements include, but are not limited to, earthwork and grading construction (in accordance with the geotechnical report for the Site), sub-grade preparation, driveways, rip-rap placement, landscaping, irrigation and drainage improvements that are on the Site – all as shown on the Civil Improvement Plans and defined in the Engineering Scope of Work that Utility will provide separately to Applicant and acknowledged by the Parties.

(B) Perimeter Wall Improvements. Perimeter Wall Improvements include, but are not limited to, physical perimeter security, retaining walls, perimeter site wall, high security wall, masonry wall, Utility standard gates for the Utility that Utility will provide separately to Applicant and acknowledged by the Parties.

(C) Off-Site Improvements. Off-Site Improvements include, but are not limited to, all other Improvements that are required by applicable Law, a Permit or by Utility, such as drainage improvements, driveways, general civil improvements, access roads (permanent and construction), and grading that

Utility will provide separately to Applicant and acknowledged by the Parties.

7.2 Material Used for Improvements. The material used for excavation and embankment purposes must conform to the provisions of Section 203 of the Uniform Standard Specifications for Public Works Construction for Washoe County, Nevada, latest edition, and Generic Plans that Utility will provide separately to Applicant and acknowledged by the Parties. Applicant must not use fill that contains a Hazardous Material or contaminated soil and must provide written certification to Utility that the fill meets these requirements.

7.3 Posting Bonds. Before Applicant obtains any construction-related Permit for the Improvements, Applicant or its contractor(s) constructing the Improvements must, post-performance and payment bonds that are satisfactory to Utility for the Improvements in the amount of 100% of the cost to construct the Improvements. Applicant must provide the signed and notarized bonds to Utility after the Effective Date but before Applicant or its contractor(s) begin constructing or installing any Improvements.

7.4 Generic Plans and Engineering Scope.

(A) Generic Plans. Some of the Improvements are depicted in the Generic Plans that Utility will provide separately to Applicant and acknowledged by the Parties ("**Generic Plans**"). Utility is providing the Generic Plans to Applicant as an example of improvement plans that typify the form in which Applicant's Improvement plans must be submitted to Utility for review and approval.

(B) Engineering Scope. With respect to the Improvements, Applicant must perform the work described in the Engineering Scope of Work, including site preparation, that Utility will provide separately to Applicant and acknowledged by the Parties.

7.5 Applicant's Technical Drainage Study and Civil Improvement Plans. The Civil Improvement Plans must comply with Utility's Standards and all applicable Laws and must be electronically formatted in a manner consistent with the format of the Generic Plans.

(A) Submitting Technical Drainage Study and Civil Improvement Plans to Utility for Review. Before submitting the Technical Drainage Study and any Civil Improvement Plans to the appropriate government authority(ies) for approval, Applicant must submit the Technical Drainage Study and Civil Improvement Plans to Utility for review and comment.

(B) Utility Review Period. Utility will have a minimum of fourteen (14) days, but no more than thirty (30) days to review the Technical Drainage Study and to review Civil Improvement Plans for compliance with Utility's Standards and for formatting consistent with the Generic Plans. Utility will not review the Civil Improvement Plans for compliance with applicable

Law. After completing its review of the Technical Drainage Study and the Civil Improvement Plans, Utility will contact Applicant with Utility's comments.

(C) Correction of Deficiencies. Applicant must correct all deficiencies identified by Utility, within seven (7) days of receiving notice of the deficiencies.

(D) Submission to Government Authority(ies) after Utility Confirms Compliance. Applicant must not submit the Technical Drainage Study to the appropriate government authority(ies) for approval until after it receives written confirmation from Utility's Project Manager that Utility has reviewed the Technical Drainage Study and Applicant has adequately addressed Utility's concerns, if any, with that study. In addition, Applicant must not submit any Civil Improvement Plans to the appropriate government authority(ies) for approval until after it receives written confirmation from Utility's Project Manager that Utility has reviewed the particular Civil Improvement Plan, it complies with Utility's Standards, and it is formatted in a manner consistent with the format of the Generic Plans.

(E) Resubmitting Technical Drainage Study and Civil Improvement Plans to Utility for Review. If, after submitting the Technical Drainage Study and Civil Improvement Plans to the government authority(ies), the government authority(ies) provide comments, Applicant must provide copies of those comments to Utility. Upon Utility's request, Applicant must submit the revised Technical Drainage Study and Civil Improvement Plans to Utility for review and comment before re-submitting those documents to the government authority(ies).

7.6 Submitting Copies of the Construction Specifications to Utility. Before starting construction of the Improvements and after complying with Section 7.5, Applicant must submit to Utility for review and comment copies of the construction specifications for the Improvements that Applicant provided its contractors.

7.7 Meetings. Applicant and its contractors must meet with Utility concerning the Improvements as follows:

(A) Optional Pre-Submittal Technical Drainage Study Review Meeting. At Utility's request, Applicant must meet with Utility at its offices after Applicant's preliminary Technical Drainage Study has been submitted to and received by Utility for review. At this meeting, the Parties will discuss Utility's comments on the Technical Drainage Study and initiate changes in the work product, as required.

(B) Pre-Submittal Civil Improvement Plan Review Meeting. Applicant must meet with Utility at Utility's offices after the Civil Improvement Plans have been submitted to and received by Utility for review. The purpose of the meeting is to discuss Utility's comments on the Civil Improvement Plans and to initiate changes in the work product, as required.

(C) Additional Meetings. Applicant must meet with Utility, as reasonably requested by Utility.

7.8 Project Coordination. Applicant must direct all technical questions regarding the Improvements to the Project Manager shown in Exhibit A.

7.9 As-Built Plans. Applicant must prepare as-built plans of the Improvements. All elevations and coordinates on the as-built plans must be in a coordinate system approved by Utility and clearly indicated and completely described on the respective Civil Improvement Plans.

(A) Utility Review Period. Utility will have a minimum of fourteen (14) days, but no more than thirty (30) days to review the as-built plans. After completing its review of the as-built plans, Utility will contact Applicant with Utility's comments.

(B) Correction of Deficiencies. Applicant must correct all deficiencies identified by Utility and re-submit the revised as-built plans to Utility.

(C) Construction Activities. Applicant must receive Utility's approval of each as-built plan before it starts the next phase of construction. Utility shall have thirty (30) days to approve or deny an Applicant's submitted as-built plan.

(D) Perimeter Wall Foundation Construction. Applicant must not commence construction of any wall or wall foundations until after it (a) completes sub-grade construction and (b) submits, and Utility approves, the as-built grading plan.

(E) Perimeter Wall Construction. Applicant must not commence perimeter wall construction until after it submits, and Utility approves, the as-built wall foundation elevations and plan (for masonry wall). The elevations must be measured (i) at 50-foot (maximum) intervals along the length of the foundation and (ii) on either side of each vertical step location. The linear dimensions of the perimeter wall foundation and gate locations must be shown on the as-built wall foundation plan.

(F) Condition Precedent to Acceptance of Improvements. Utility is not required to provide an Acceptance of the Improvements until after Applicant submits to Utility as-built plans of all construction (including, but not limited to, gate thresholds, aprons, driveways and drainage facilities) and all reports and documentation prepared by or at the request of the Third-Party Consultant. These as-built plans must contain sufficient detail for Utility to determine whether or not the construction is complete and in compliance with the Civil Improvement Plans and Utility's Standards.

(G) Deadline to Complete Improvements. Applicant must complete the Improvements and provide Utility suitable access, satisfactory to Utility, to the Site in accordance with the Schedule.

7.10 Applicant's Third-Party Consultant's Obligations. Prior to construction of any Improvements, a certified third-party consultant hired by Applicant or the engineer of record for the Civil Improvement Plans ("**Third-Party Consultant**") must provide all necessary review, inspection, coordination, requests for information, requested material specification substitutions, approval of shop drawings submittals, as-built plans and any other construction-related issues pertaining to the Improvements. Applicant must require the Third-Party Consultant to do the following:

(A) Addressing Installation Issues. The Third-Party Consultant must address any Contractor installation issues regarding differing or unanticipated Site conditions or obstacles such as, but not limited to, groundwater, underground utilities or topographic inconsistencies and provide adjustments or revisions to designs as necessary.

(B) Clarifying Civil Improvement Plans. The Third-Party Consultant must provide clarification of all questions from Applicant's contractor(s) regarding the Civil Improvement Plans.

(C) Providing Support to Release Utility from the Performance Bond. The Third-Party Consultant must provide all construction administration and coordination necessary to ensure that Utility, as the owner, is released from the performance bond that is posted for the Improvements in connection with the issuance of the off-site construction permit.

(D) Providing Quality Assurance. The Third-Party Consultant must inspect all Improvements, perform all tests required by applicable Law and any Permit and submit to Utility all test results, including, but not limited to, soil density test results, concrete and masonry strength test results, reinforcement bar certifications and concrete quantity tickets.

(E) Providing Utility a Pad Certification and Grading Report. The Third-Party Consultant must give Utility a pad certification and grading report ("**Pad Certification and Grading Report**").

7.11 Notice of Third-Party Consultant Inspection and Provision of Records. Within ten (10) days after the Third-Party Consultant completes its inspection(s), Applicant must provide written notice to Utility that the inspections were completed ("**Notice of Third-Party Consultant Inspection**"). With that notice, Applicant must provide to Utility documentation of the inspection(s), copies of the as-built survey plans and copies of the Pad Certification and Grading Report, unless the Third-Party Consultant has already provided the particular record to Utility.

7.12 Delivery of Lien Releases. Before Utility starts construction of the SHVD Facilities, Applicant, its contractors, and subcontractors must execute and deliver to Utility a complete release of all liens in relation to the Improvements and receipts covering in full all labor, materials, and equipment for which a lien could be filed ("**Lien Releases**"). At Utility's discretion and in writing, it may extend the deadline for delivery of a particular Lien Release.

7.13 Drainage. Applicant must not allow its MPC or any improvement on the Property to negatively impact drainage for the SHVD Facilities. If Applicant's MPC or any improvement on the Property causes harmful surface drainage to the SHVD Facilities, Applicant must – within 30 days – remedy the negative impact at no expense to Utility.

Article 8 Utility Inspection and Acceptance of the Improvements

8.1 Inspection Scope and Schedule. Utility will determine the schedule and scope of Utility inspections before Applicant commences construction of a particular Improvement.

8.2 Notice of Request for Inspection of Improvements by Utility. After sending Utility a Notice of Third-Party Consultant Inspection, or as part of that notice, Applicant must (in writing) advise Utility that some or all of the Improvements are complete and ready for Utility's inspection and ask Utility to inspect those completed Improvements ("**Notice of Request for Inspection**").

8.3 Utility's Initial Inspection of the Improvements. Within fifteen (15) business days of receipt of a Notice of Request for Inspection, Utility will commence its inspection of the Improvements that are the subject of the notice.

8.4 Notice of Acceptance or Non-Compliance in Connection with an Inspection. Within ten (10) business days of completing a requested inspection (or re-inspection), Utility will provide an Acceptance of the Improvements that are the subject of the Notice of Request for (Re-)Inspection or specify in writing the Improvements that are not complete and do not comply with the Civil Improvement Plans and Utility's Standards ("**Non-Compliance Notice**"). The Utility may not unreasonably withhold Acceptance of an Improvement.

8.5 Correction of Deficiencies. Applicant must correct all deficiencies identified in a Non-Compliance Notice.

8.6 Re-Inspection of the Improvements. After Applicant corrects the deficiencies identified in a Non-Compliance Notice, it must provide written notice to Utility that the deficiencies have been corrected and the Improvements are ready for inspection ("**Notice of Request for Re-Inspection**"). Within ten (10) business days of receipt of a Notice of Request for Re-Inspection, Utility must re-inspect the Improvements that are the subject of that notice.

8.7 Utility's Failure to Timely Inspect or Respond to a Request for (Re-)Inspection. If, within the periods set out above, Utility does not inspect or re-inspect the Improvements or provide Applicant with an Acceptance or Non-Compliance Notice, the Improvement(s) will not be deemed to have been Accepted, however, any project deadlines shall be amended to incorporate any project time lost by Applicant due to Utility delay.

8.8 Providing Additional Lien Releases. If Applicant receives a Non-Compliance Notice, and before providing Utility with a Notice of Request for Re-Inspection, Applicant, its contractors, and subcontractors must execute and deliver to Utility additional Lien Releases if additional liens were noticed or filed by Applicant, its contractors, or subcontractors, related to the corrections required by the Non-Compliance Notice.

8.9 Officer's Certificate Required Before Acceptance. Before Acceptance, Applicant must provide an officer's certificate to Utility representing that there are no resulting liens, charges, claims, security interests or encumbrances on or relating to the Site or the Improvements ("**Officer's Certificate**").

8.10 Applicant's Continuing Obligations Until It Transfers Ownership of the Improvements. Until ownership of the particular Improvements transfers to Utility or to the appropriate governmental authority, as applicable, Applicant assumes all responsibilities and liabilities for the Improvements, including, but not limited to, maintaining, replacing, and repairing the Improvements and paying any fees, fines, or penalties in connection with the Improvements. Applicant's responsibilities and liabilities for the Improvements are in addition to providing the guarantees in Article 9.

Article 9 Guarantees

9.1 Guarantee Against Defects. Applicant guarantees, regardless of Utility's Acceptance, all work Applicant and its contractors/subcontractors perform in connection with this SHVD Agreement against defects in materials and workmanship for a period of two (2) years following Utility's Acceptance of all Improvements. Applicant also guarantees any corrective work and replaced or repaired materials against defects for an additional two-year period following completion of that work.

9.2 Utility's Option to Remedy Defect. During the two-year period provided for in Section 9.1, should Utility become aware of any defect in materials or workmanship provided by Applicant and its contractors/subcontractors, Utility will provide Applicant with prompt written notice of the particular defect after defect is identified and Applicant will have thirty (30) days from the date of the notice in which to commence correction of the defect(s) and must thereafter diligently complete them. If Applicant does not begin correcting the defect(s) within the 30-day period, does not diligently complete correction within sixty (60) days of receiving the notice, unless correction is expected to take longer to complete and the Parties agree that the Applicant is diligently working to complete correction, or if Utility determines (in its discretion) that the defect must be corrected as soon as possible, then Utility may remedy the defect and Applicant must pay Utility all expenses Utility incurs within sixty (60) days of receiving an invoice from Utility.

9.3 Modification or Relocation of Electric Facilities. If Applicant requests that facilities be constructed prior to the establishment of final grade or the alignment of the roads, streets, or alleys and a conflict arises, Applicant is responsible for the Total Cost to relocate, modify and remove the electric facilities in accordance with Rule 9, Section A.10. Any replacement Property Rights Utility determines are needed must be granted to Utility in a manner that is satisfactory to Utility as to both location and form (including, but not limited to, the dimensions of the Property Rights area and terms and conditions relating to the Property Rights).

Article 10 Third-Party Liens

10.1 Duty to Keep the Site Free of Liens. Applicant must keep the Improvements and the Site free and clear of all liens, claims, judgments, security interests, and encumbrances other than permitted encumbrances mutually agreed by the Parties pursuant to the provisions of the Purchase Sale Agreement ("**Liens**") arising out of the design, installation, construction, and inspection of those Improvements and other activities on the Site ("**Work**") by Applicant, its contractors, its subcontractors of any tier, and all laborers, materialmen, mechanics, and other similar Persons.

10.2 Applicant's Obligation to Discharge the Lien. If any Lien is filed against the Site before or after Work is completed, and/or Utility provides Applicant written notice of the Lien, Applicant must obtain the release of (or otherwise satisfy) the Lien within ten (10) business days of receiving notice. If Applicant fails to do so, (i) Utility may take such steps and make such expenditures as, in its discretion, it deems advisable to obtain release of or otherwise satisfy the Lien or Liens, and (ii) Applicant will, upon demand, reimburse Utility for all costs incurred and expenditures made by Utility in obtaining the release or satisfaction.

10.3 Laws Related to Processing Liens. Except as required by applicable Law, Applicant's obligation to indemnify Utility from Liens will not in any way be rendered unenforceable, or altered, amended, eliminated, or otherwise conditioned by any applicable Laws related to processing such Liens, unless Utility's action or inaction is the basis of any cause of action arising from an issue related to any Lien. Except as required by applicable Law, Utility will have no obligation to deliver a copy of any notice of claim or right to a Lien to Applicant or any other Person.

Article 11 Applicant's Additional Obligations

11.1 Load Forecast. Not later than one month before the end of each calendar year, Applicant must deliver to Utility a 15-year forecast of anticipated load requirements for the MPC for each of the succeeding 15 calendar years.

11.2 Compliance with Laws and Other Standards. Applicant and its contractors, employees and agents must perform their respective obligations under this SHVD Agreement in accordance with all applicable Laws, Permits and Tariff Schedules and must comply with Utility's Standards, where applicable, and the National Electrical Safety Code.

11.3 Obligation to Provide Documents and Information to Utility. Within twenty (20) business days of Utility's written request, Applicant must provide information and documents requested by Utility that relate to this SHVD Agreement and are documents held in the regular care and control of Applicant or its agents, its contractors, or its subcontractors. Applicant must also provide Utility with the information and documents more specifically identified below.

(A) Information Concerning Property on Which the Project Will Be Located. Within ten (10) business days of Utility's request, Applicant must provide Utility with copies of all documents that are in Applicant's possession or control relating to the property on which the Project will be located, including, but not limited to: leases, contracts and permits, current or not; environmental reports; appraisal reports; plans, permits, maps, and approvals; boundaries and topographical surveys; soils and engineering reports; restrictive covenant(s) or any similar instrument that restricts, restrains, prevents or limits electric service to the MPC by Utility; governmental zoning letters; and any other documents Utility reasonably deems necessary to evaluate the property.

(B) Value of Property Rights. Within ten (10) business days of Utility's written request, Applicant must provide Utility with information and documentation relating to the value of the Property Rights, including, but not limited to, the value of the easements and the amount(s) Applicant paid, if any, for third-party Property Rights.

11.4 Disclosing the Project Route. Applicant must disclose the route(s) of the Project to any purchaser of real property within the Site.

11.5 Reduction of Service or Termination Charges; RSTC Security. In accordance with Rule 9, Section A.23, Rule 9, Section A.24 and Rule 9, Section A.25, Applicant is responsible for Utility's investment in the Project and other associated Total Costs at the time that the Reduction of Service or Termination threshold is met, as defined in this SHVD Agreement.

(A) Reduction of Service. Reduction of Service for this SHVD Agreement shall occur when the Applicant's actual load, or if Applicant's alteration to the MPC's load requirement, drops below sixty percent (60%) of the forecasted load shown on Exhibit B-6 for the then-current time period during the initial twenty-four (24) months of taking Service; or drops below eighty percent (80%) of the forecasted load shown on Exhibit B-6 for the then-current time period after the initial twenty-four (24) months of taking Service and the Utility determines that there is a reasonable likelihood that the Applicant's load will remain below that level.

(B) RSTC Calculation. The RSTC shall be calculated per Rule 9, Section 25.c to ensure recovery by Utility at the time of Termination or Reduction of Service of the net present value of all Total Costs of ownership and operation of all remaining Utility investment in the Project less any supportable revenues received or identified at the time of the Reduction of

Service or Termination Charge. An example calculation of the RSTC calculation is shown in Exhibit B-5.

(C) Notice. Within sixty (60) days of receiving written notice from Utility of the Reduction of Service or Termination, Applicant must pay a Reduction of Service or Termination Charge, which will be invoiced separately per Section 12.7 of this SHVD Agreement.

(D) RSTC Security. To secure payment of any potential RSTC and for the recovery of all other Total Costs or investments for the Project, Security will be established or altered per Article 12 and shall be reviewed annually.

11.6 Information Provided by and Needed from Applicant. Applicant acknowledges that Utility relies on information provided by Applicant when performing Utility's obligations under this SHVD Agreement. Applicant acknowledges that it has a continuing obligation to provide the most current and accurate information concerning its MPC to Utility and to notify Utility of any inconsistencies between the Design and SHVD Facilities constructed (or being constructed) for the Project and/or the Property Rights for those facilities. Applicant also understands that Utility is not aware of and cannot know all surface and subsurface field conditions. Notwithstanding anything to the contrary in this SHVD Agreement, Applicant agrees to assume all responsibilities, liabilities, and Total Costs for repair, replacement, redesign, modification, relocation or other work to the SHVD Facilities constructed, or being constructed, for the Project, provided Utility exercises generally accepted Good Utility Practice:

(A) Resulting from or arising out of incomplete, inaccurate or outdated data and other information supplied to Utility by Applicant;

(B) Resulting from or arising out of changes affecting the accuracy or completeness of data or information after it is supplied to Utility by Applicant;

(C) Resulting from or arising out of surface or subsurface field conditions; or

(D) That were installed outside the Property Rights intended for such facilities.

11.7 Modification or Relocation of Electric Facilities. Where Applicant has requested that Utility install electric facilities before the establishment of final grade or the alignment of roads, streets, or alleys, or in unimproved areas and a conflict arises, Applicant must (i) pay all Total Costs associated with the relocation or modification of any electric facilities and (ii) grant or obtain for Utility (at no expense to Utility) all Property Rights Utility deems it requires for the relocated/modified facilities, in accordance with Rule 9, Sections A.6 and A.10. The Property Rights must be granted to Utility in a manner that is satisfactory to Utility as to type, location and form (including, but not limited to, the dimensions of the Property Rights area and terms and conditions relating to the Property Rights).

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Article 12 Total Costs; Allowance; Initial Payment; True-Ups; Payment Arrangement; Invoicing; Interest; Security

12.1 Total Costs.

(A) Except as otherwise specifically provided in Rule 9, Applicant has Total Costs responsibility for the Project, as shown on Exhibit B-1.

(B) The estimated Total Costs and associated Tax Gross-up are shown in Exhibit B-1 ("**Estimated Cost**"). The actual Total Costs might be more or less than the Estimated Cost and it is possible that not all Total Costs are identified on Exhibit B-1; however, Applicant is required to pay the actual Total Costs, and associated Tax Gross-up, in accordance with the fee payment schedule attached as Exhibit B-2 and Rule 9.

(C) Utility will provide Applicant prior written notice when it believes the Total Costs may exceed 110% or may be less than 80% of the Estimated Costs as shown in Exhibit B-2.

12.2 Allowance and Refunds. Pursuant to Rule 9, A.24 and Section C.6, the estimated Maximum Allowance is shown on Exhibit B-3. The Up-front Allowance being provided to Applicant is $0 as shown on Exhibit B-3. Utility will refund Advances in accordance with Rule 9, Section C.6. For Section C.6.c, the denominator, "B", for the formula to determine the annual Refund, the capacity allocated to Applicant shall be [redacted]

12.3 Proportionate Share.

(A) Proportionate Share Refund. If a Rule 9 applicant attaches to the Project, pursuant to Rule 9, Section A.16, Applicant shall be entitled to a Proportionate Share Refund.

(B) Proportionate Share Allocation. If Applicant attaches to other line extensions, such as those identified in this Subsection, Applicant must pay a Proportionate Share Allocation:

Contract No.	Expiration Date	Project Name
NONE		

12.4 Initial Payment. Applicant must pay Utility the amount identified in Exhibit B-2 pursuant to Rule 9, Section A.17.b ("**Initial Payment**") on the date designated in Exhibit B-2. When calculating this payment, Utility applied any Proportionate Share Allocation, if applicable. Utility agrees to provide Applicant with an invoice for the Initial Payment when Applicant signs this SHVD Agreement.

12.5 Condition Precedent to Utility's Obligation to Perform. Utility is not required to perform, or continue performing, its obligations under this SHVD Agreement until after it has received the required Security identified in Article 12 and in accordance with Exhibit B-2. Even if Utility has performed or performs one or more of its obligations under this SHVD Agreement, Utility may stop performing (without liability to Applicant) and is not required to continue performing until after it receives the required Security from Applicant.

12.6 Performance of True-Ups.

(A) Allowance True-Up. Utility will perform an Allowance True-up in accordance with Rule 9, Section A.31 and Section A.32, as applicable.

(B) Total Cost True-Up. Utility will perform a Total Cost True-up in accordance with Rule 9, Section A.31 and Section A.32, as applicable.

(C) Refund or Invoice after Accounting Adjustments. After Utility performs the Allowance True-up and Total Cost True-ups, Utility will either invoice Applicant or provide a Refund to Applicant in accordance with Rule 9, Sections A.24.c, A.31.b, A.31.c.1, and A.32.b. In accordance with Rule 9, Sections A.31.b.2, A.31.c.1 and A.31.e, Utility will perform more than one Allowance True-up and/or send Applicant an invoice(s) or Refund for Total Cost items that were finalized or became known after the original Total Cost True-up. The maximum possible Refund that Applicant may receive is the lesser of the Advance Subject to Potential Refund, as may be adjusted in the Total Cost True-ups, or the portion of the Allowance supported by the EFBPL that materializes during the term of this SHVD Agreement.

(D) No Refunds after Agreement Termination. Pursuant to Rule 9, Sections A.7.b, A.17.e, and A.32.a.4, Applicant will not be entitled to any refunds for load that materializes after this SHVD Agreement terminates.

12.7 Payment Arrangement; Invoicing

(A) Payment Arrangement. In accordance with Rule 9, Section A.26 and C.5, Applicant has requested, and Utility agrees to an alternative payment arrangement for payment of required Advances as follows.

(B) Invoicing and Applicant's Obligation to Pay Invoices. After receiving the Initial Payment and in accordance with Rule 9, Section A.26, Utility will invoice Applicant in accordance with the payment schedule attached as Exhibit B-2 and may periodically, but not more than once per calendar quarter, invoice Applicant for its Total Cost obligations and associated Tax Gross-up under this SHVD Agreement. Applicant must pay all invoices, even if Utility sends Applicant an invoice after Utility performed a Total Cost True-up and even if Utility provided a refund or returned an overpayment. Utility will send all invoices by electronic mail to billing@tract.com.

(C) Deadline to Pay Invoice. Except for the invoice for the Initial Payment which is due when Applicant delivers the signed SHVD Agreement to Utility, Applicant must pay Utility's invoices within thirty (30) days of receipt. If mailed, Utility's invoices are deemed received by Applicant three (3) days after the invoice date. When making a payment, Applicant must follow the instructions on the particular invoice. Unless otherwise provided in this SHVD Agreement, if Utility does not receive timely payment of its invoices, then Utility, without liability to Applicant, may stop work on the Project and/or not provide Service to the MPC until after Utility receives payment in full. Any delay in payment might result in a delay in completion of the Project or delay the In-Service Date(s).

(D) Disputing an Invoice. If Applicant disputes all or part of an invoice, Applicant must pay the invoice, including any disputed part, when due.

(E) Suspending Performance Because of Non-Payment. If Applicant does not pay an invoice within thirty (30) days after receiving it, Utility (without liability to Applicant) may suspend performance of its obligations under this SHVD Agreement, except where in Utility's reasonable opinion a stoppage would pose a reasonable threat to health or safety.

12.8 Interest. Any amount unpaid and due by Applicant under this SHVD Agreement will accrue interest at the then-current per annum simple prime rate, as published in the Market Data section of the Wall Street Journal, plus one percent (1%), from the original due date through the date of receipt of payment by Utility. However, Utility will not pay Applicant any interest on the amount of any payment made in connection with this SHVD Agreement.

12.9 Security.

(A) Obligation to Provide Security. Applicant must provide Utility with a Letter of Credit from a federally secured financial institution, rated "A-" or higher by Standard & Poor's or Moody's ("**Financial Institution Requirements**"), in a form acceptable to Utility, or a corporate parent guarantee in a form acceptable to Utility, or a cash deposit ("**Security**").

1. Applicant must provide a draft form of the Security Applicant proposes to use to Utility with a minimum of thirty (30) days prior to being due as shown in Exhibit B-2 and Exhibit G for Utility to review and approve.
2. A Letter of Credit may include a surety bond in a form acceptable to Utility in its reasonable sole discretion. If Utility is unable to provide its approval of a surety bond within said thirty (30) day review period, Utility may require Applicant to provide Security in one of the other forms listed in Section 12.9(A) above.

(B) Security for the Project. Applicant must provide Utility with Security to secure Utility's portion of the Project costs plus the applicable Tax Gross-Up on that cost ("**Utility Investment**") and Applicant's obligation to pay a balance due resulting from True-ups, RSTC, or any other amount due under this SHVD Agreement. Applicant must deliver to Utility the Security in the amount designated by Utility in Exhibit B-1 on the dates designated in

Exhibit B-2 or as otherwise required under this SHVD Agreement.

(C) Replacement Security; SHVD Agreement Termination. After Utility performs the True-ups and/or the risk reassessment identified in Section 12.10 (if any), Utility will determine, in its discretion, the amount of the Security based on the then-present value of the revenue requirements associated with the Utility investment(s) (including but not limited to Tax Gross-up and cost of capital considerations). Utility will then provide written notice to Applicant that Applicant must either provide Utility with a new Security or cash deposit, that the current Security is adequate or that Security is not required at that time. Within ten (10) days of the date on the notice, Applicant must deliver to Utility a new Security per Section 12.9(A) in the amount identified in the notice. After Utility receives the approved Security or notifies Applicant that Security is not required at that time, Utility will return to Applicant the original Security.

(D) Utility's Right to Draw on the Security. Utility has the right to draw on the Security to reimburse Utility for its costs associated with this SHVD Agreement.

1. Utility's Right to Draw on Security for the Project. Utility may draw on all or any portion of the Security if (i) Utility has not received approval from the Commission in a Commission docket filed under NRS 704.110 for inclusion of Total Costs into general rates, or other proceeding before the Commission, in which Utility requests authorization to include the amount of the Utility's investment into the Project in to rate base (except to the extent of any delays caused by Utility), (ii) Permanent Service has been not been taken from the SHVD Facilities within one year after the In-Service Date, of which Distribution-only Service is one type, (except to the extent of any delays caused by Utility), (iii)) the MPC is not completed within the Term of this SHVD Agreement due to restrictions against the MPC or Applicant (and not the result of delays by Utility), or (iv) Utility has not received an amount due to Utility, including RSTC, in accordance with and under this SHVD Agreement. Utility will request authorization to recover the Utility investment in the Project in the first Utility general rate case, immediately succeeding Construction Complete or the certification period, and will use its commercially reasonable best efforts to secure recovery of that Utility investment in that general rate case, relevant Commission docket filed under NRS 704.110 or other proceeding before the Commission in which Utility requests authorization to include the amount of the Utility's investment into the Project in to rate base.

2. Utility's Right to Draw on the Security for Changes in Financial Institution Requirements. Utility may draw on the Security if the

financial institution issuing the Security does not meet, or no longer meets, the Financial Institution Requirements pursuant to Section 12.9(A).

3. Utility's Right to Draw on the Security for Failure to Provide Replacement Security. Utility may draw on the Security if Applicant fails to provide any new Security pursuant to Section 12.9(C).

4. Effect of Utility Delay. For purposes of drawing on Security under this Section, any delays to the Project that are caused by Utility shall extend the period where Utility might otherwise draw upon the Security by an amount of time directly corresponding to any delay.

(E) Maintaining the Security. The Security must be renewed at the time the Security term expires with the issuing bank(s) subject to Financial Institution Requirements and remain in place until the earlier of (i) Applicant delivering new Security to Utility in accordance with Section 12.9(C) above or (ii) Utility receiving, as determined by Utility in its discretion, the then-present value of the remaining revenue requirements associated with the Utility investments(s) (including, but not limited to, Tax Gross-up and cost of capital considerations) in connection with this SHVD Agreement. The new Security must remain in place until the earlier of (iii) Applicant delivering a new Security to Utility in accordance with Section 12.9(C) above or (iv) Utility receiving the then-present value of the remaining revenue requirements, as determined by Utility in its discretion, associated with the Utility investment(s) (including, but not limited to, Tax Gross-up and cost of capital considerations) in connection with this SHVD Agreement. Notwithstanding the foregoing, if this SHVD Agreement terminates, Applicant must keep the Security most recently delivered to Utility in connection with this SHVD Agreement in place until after Applicant pays Utility all Total Costs associated with this SHVD Agreement and associated Tax Gross-up, whether incurred before or after default, expiration or termination, and Applicant pays Utility all Total Costs that result from termination. The obligations in this Section 12.9(E) are subject to the provisions of Section 12.9(A) and Section 12.9(B).

(F) Release of the Security to Applicant.

1. Utility will release or reduce the Security to Applicant when the Project has reached Construction Complete, Permanent Service has been taken by the MPC from the SHVD Facilities within one year after the In-Service Date, of which Distribution-only Service is one type, (except to the extent of any delays caused by Utility), Utility received approval from the Commission in a Commission docket filed under NRS 704.110, or other proceeding before the Commission in which the Utility requested authorization to add the cost of the Project to rate base, and Applicant has met the obligations

in Section 1.5 of the Umbrella Agreement signed concurrently with this SHVD Agreement.

2. Without reducing Applicant's obligations under 12.9(F)(1) above, Utility will release or reduce Security for Applicant's obligation to pay a balance due resulting from True-ups and RSTC when any balance due from True-ups is paid and when all obligations for the RSTC are fulfilled under this Agreement.

(G) Delayed In-Service Date. Any delay in delivering to Utility the Security or updated Security may delay the In-Service Date.

12.10 Reassessment of Applicant Risk Profile. In accordance with Rule 9, Section A.24.b.3, Utility may upon its own initiative perform a reassessment of Applicant's Risk Profile and increase or reduce Security Requirements to reflect changes in circumstances during the term of the SHVD Agreement to secure the Up-front Allowance being provided to Applicant and to ensure Applicant's payment of any balance due resulting from True-ups and/or RSTC. No more frequently than once per calendar year, Applicant may request Utility to perform a reassessment of Applicant's Risk Profile and Utility shall respond with its determination no later than twenty (20) business days.

12.11 Audited Financial Statements. Within fifteen (15) business days of Utility's written request, Applicant must provide financial statements for Applicant's parent entity that have been audited within the last twelve (12) months. If Applicant fails to provide this information by the end of that 15-business-day period, its classification with the Utility will default to high credit risk and will result in Utility rescinding all unsecured credit Utility provided Applicant and Utility may invoice Applicant for any credit provided. If Applicant is wholly owned by a publicly traded company, then Applicant shall be allowed to provide the financial statements of the parent company.

Article 13 Term and Termination

13.1 Term of Agreement. This SHVD Agreement terminates when the Peru Shelf Umbrella Agreement terminates in accordance with Rule 9, Section C.7.a.

13.2 Termination of Project by Applicant or Mutual Agreement. Applicant may terminate the Project with prior written notice to Utility. If Applicant terminates the Project, this Agreement will terminate thirty (30) days after Utility receives that termination notice unless Applicant identifies a later date in its written notice to Utility. If the Parties mutually agree to terminate the Project, the Parties will document that in writing and specify the date this Agreement terminates.

13.3 Termination of Project by Utility. Utility may terminate the SHVD Agreement, pursuant to Rule 9, Section A.27.c, or if Applicant otherwise breaches any term or condition of the Umbrella Agreement and/or SHVD Agreement and Applicant thereafter fails to cure the breach to Utility's satisfaction and within the requisite timeframe as provided for in the Umbrella Agreement and/or SHVD Agreement (or if no timeframe is provided, then within sixty (60) days). If Utility terminates the SHVD Agreement, this SHVD Agreement will terminate thirty (30) days after Utility provides Applicant with written confirmation that Utility met and conferred with Applicant or made Commercially Reasonable Efforts to do so. In the event of a termination by Utility in accordance with this Section 13.3, the Site, including temporary easements, shall be reconveyed to Applicant at no cost to Applicant if Utility has not installed any SHVD Facilities on the Site.

13.4 Surviving Obligations. Any default or termination of this SHVD Agreement or excuse of performance for a Force Majeure Event or otherwise does not release Applicant or Utility, as applicable, from any liability or obligation for:

(A) Obligations under Section 1.5 (Change in the MPCs EFBPL), Section 2.3(B) (Non-Interference with Utility's Construction and Operations), Section 11.5 (Reduction of Service or Termination Charges; RSTC Security), Section 11.6 (Information Provided by and Needed from Applicant), Section 12.7 (Payment Arrangement; Invoicing), and Section 16.3 (Remediation or Termination);

(B) Obligations under Article 3 (Property Rights);

(C) Obligations under Article 4 (Identification and Resolution of Conflicts);

(D) Obligations under Article 5 (Acquisition and Support of Permits);

(E) Obligations under Article 12 (Total Costs; Allowance; Initial Payment; True-Ups; Payment Arrangement; Invoicing; Interest; Security); Obligations under Article 16 (Hazardous Materials);

(F) Obligations under Article 17 (Insurance and Indemnification);

(G) Obligations under Article 18 (Confidentiality); and

(H) Paying the Total Costs and associated Tax Gross-up, RSTC, or providing Security, whether incurred before or after excuse of performance or a Party's default or termination and paying all Total Costs and associated Tax Gross-up that result from excuse of performance, termination or Applicant's default.

Section 20.1 (Notices), Section 20.3 (Utility's Tariff Schedules), Section 20.6 (Limitation of Damages), Section 20.7 (Choice of Law and Venue), and Section 20.20 (Jury Trial Waiver) continue to apply to this Section.

13.5 Taking Reasonable Actions to Mitigate Total Costs. At Applicant's Total Cost, the Parties must take all reasonable actions to minimize the Total Costs associated with SHVD Agreement termination. These actions may include, but are not limited to, such things as stopping some or all Project work, completing the Project, cancelling material orders, stopping acquisition of Property Rights, completing the acquisition of Property Rights and dismissing condemnation lawsuits, if any. An action is not reasonable if it inhibits, prevents or otherwise negatively impacts Utility's ability to provide electric service to its customers – as determined by Utility in its discretion.

Article 14 **Default:** Section 8 of the Umbrella Agreement signed concurrently with this SHVD Agreement is incorporated herein.

Article 15 **Force Majeure:** Section 9 of the Umbrella Agreement signed concurrently with this SHVD Agreement is incorporated herein.

Article 16 **Hazardous Materials**

16.1 Work Suspension; Notifying Applicant. Upon discovery of a Hazardous Material or otherwise contaminated soil, water or environment at the work site, Utility will stop work and immediately notify Applicant's Contact of the Unacceptable Site Condition ("**USC**").

16.2 Notifying Governmental Authority. When required by Law as determined by Utility, Utility will notify the appropriate governmental authority(ies), such as, but not limited to, the Nevada Division of Environmental Protection, (collectively, "**NDEP**") of the USC.

16.3 Remediation or Termination. At its option, Applicant may either remediate the USC at its Total Cost or terminate the SHVD Agreement. Within fifteen (15) business days after the date identified on Utility's Section 16.1 notice, Applicant must provide Utility with written notice of its decision to remediate or terminate ("**Section 16.3 Notice**"). If Applicant does not provide Utility with this notice in a timely manner, then Utility (without liability to Applicant) may terminate the SHVD Agreement. Even if Applicant or Utility terminates this SHVD Agreement, Applicant is responsible for paying all Total Costs and expenses associated with the discovery of a USC and any required remediation so that Utility does not bear any Total Costs and expenses in connection with the foregoing.

16.4 Remediation Requirements. If Applicant decides to remediate the USC, Applicant must remediate the USC in accordance with Subsection (A) or Subsection (B), as applicable.

(A) Remediation When NDEP Involvement Is Required. Within twenty-one (21) days after providing Utility with Section 16.3 Notice, Applicant must develop a corrective action plan ("**Corrective Action Plan**"), submit the Corrective Action plan to the NDEP, and provide a copy of the Corrective Action Plan to Utility. After receiving written approval of the Corrective Action Plan from the NDEP, Applicant must complete remediation the earlier of (i) the date specified in the Corrective Action Plan or (ii) within sixty (60) days of the date specified on that written approval from the NDEP. Promptly after completing remediation of the USC, Applicant must notify Utility in writing that Applicant believes remediation is complete. Applicant's obligation to remediate the USC is not complete until after Applicant obtains a "no further action letter," "closure letter" or similar letter from the NDEP.

(B) Remediation When NDEP Involvement Is Not Required. With respect to the USC that Utility has identified in its notice to Applicant under Section 16.1 but that does not require notification to NDEP as determined by Utility and within twenty-one (21) days after providing Utility with Section 16.3 Notice, Applicant must develop a remediation plan ("**Remediation Plan**") and provide a copy of the Remediation Plan to Utility for review and concurrence. Applicant must complete remediation of the USC within sixty (60) days after Utility confirms it concurs with the Remediation Plan. If the remediation work cannot be completed within the 60-day period and Applicant is using Commercially Reasonable Efforts to accomplish the remediation, the period for performing the remediation work will be extended until remediation is completed. But remediation must be completed within six (6) months of the date identified on the Section 16.3 Notice. Promptly after completing remediation, Applicant must notify Utility in writing that Applicant believes remediation is complete. Applicant's obligation to remediate the USC is not complete until after Applicant obtains a "no further action letter," "no further requirement letter" or similar correspondence from a State of Nevada Certified Environmental Manager, who is approved by Utility.

Article 17 Insurance; Indemnification

17.1 Insurance. Applicant must procure and maintain in effect and provide and cause its contractors and subcontractors who are performing work in the Work Area (defined below) to procure and maintain in effect, the insurance coverages set forth in Exhibit E hereto until after Applicant and its contractors and subcontractors have completed their work in the Work Area. The "Work Area" means all areas within 300 feet of the Electric System and within 300 feet of where the SHVD Facilities will be located. The requirements of this "Insurance" section are not intended to and will not in any manner limit or qualify the liabilities and obligations of Applicant under this Agreement.

17.2 Utility Indemnification: Section 10.1 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein. In addition to section 10.1 of the Umbrella Agreement, Applicant agrees to indemnify Utility, its directors, officers, employees, and contractors against and from any claim, loss, cost, suit, judgment, damage, and expense, including reasonable attorneys' fees and legal costs, that arise from or are related to the discovery of a USC in the course of Utility's scope of work, provided such USC was not caused by Utility (a "USC Claim"). At Applicant's expense, Utility has sole authority to direct and control its defense and all settlement and compromise negotiations regarding a USC Claim. Applicant must pay all reasonable attorneys' fees and costs that Utility incurs or is subject to as a result of a USC Claim. This indemnity will not apply to the extent the USC Claim is caused by any gross negligence or willful misconduct on the part of Utility.

17.3 Applicant Indemnification: Section 10.2 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

Article 18 **Confidentiality**: Section 6 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

Article 19 **Representations**: Section 7 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

Article 20 **Additional Provisions**

20.1 Notices.

(A) Method of Delivery; Contacts. Each notice, consent, request, or other communication required or permitted under this SHVD Agreement must be (i) in writing, (ii) delivered personally, sent by electronic mail, sent by certified mail (postage prepaid, return receipt requested) or sent by a nationally recognized courier (provided that if a notice is sent in a manner other than electronic mail, the parties must also provide a copy by electronic mail), (iii) reference SHVD Agreement number [redacted] (iv) addressed to the Party's Contact as identified in Exhibit A.

(B) Contacts for Notices Under Article 1, Articles 7 and 8. Notices and other communications required under Article 1, Article 7 or Article 8 of this SHVD Agreement shall be delivered by electronic mail to the following:

To NV Energy: The Project Manager, as identified in Exhibit A.

To Applicant: The Project Manager as identified in Exhibit A.

(C) Notice to Parties' Legal Department. For any notice given by a Party to the other Party under Article 11, Article 12, Article 14, Article 15, Article 17, Article 19 or Rule 9, Section A.28, The Party must also send a copy to the other Parties Legal Department at the following:

[redacted]

[redacted]

(D) Receipt of Notice; Change of Information. Each notice, consent, request, or other communication required or permitted under this SHVD Agreement will be deemed to have been received by the Party to whom it was addressed (i) when it is delivered if it is delivered personally; (ii) on the third business day after it is mailed if it is mailed by certified mail; or (iii) on the date the courier officially records it as having been delivered if it is delivered by a courier (iv) on the date the Party sends the electronic mail. Each Party may change its contact information for purposes of the SHVD Agreement by giving written notice to the other Party in the manner set forth above.

[redacted]

20.3 Utility's Tariff Schedules; Commission. Section 10.3 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.4 Integration. Section 10.4 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.5 Assignment. Section 10.5 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.6 Limitation of Damages. Section 10.6 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.7 Choice of Law and Venue. Section 10.7 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.8 No Waiver. Section 10.8 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.9 Independent Contractor. Section 10.9 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.10 Interpretation. Section 10.10 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.11 Amendments. Section 10.11 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.12 No Third-Party Beneficiaries. Section 10.12 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.13 Remedies. Section 10.13 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.14 Headings; Exhibits; Cross References. The headings or section titles contained in this SHVD Agreement are used solely for convenience and do not constitute a part of this SHVD Agreement, nor should they be used to aid in any manner in the construction of this SHVD Agreement. All exhibits attached to this SHVD Agreement are incorporated into this SHVD Agreement by reference. All references in this SHVD Agreement to Sections, Subsections, and Exhibits are to Sections, Subsections, and Exhibits of or to this SHVD Agreement, unless otherwise specified. And, unless the context otherwise requires, the singular includes the plural, and the plural includes the singular, and the neuter includes feminine and masculine.

20.15 Discretion. Section 10.15 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.16 Severability. If any portion or provision of this SHVD Agreement is invalid, illegal, or unenforceable, or any event occurs that renders any portion or provision of this SHVD Agreement void, the other portions or provisions of this SHVD Agreement will remain valid and enforceable. Any void portion or provision will be deemed severed from this SHVD Agreement, and the balance of this SHVD Agreement will be construed and enforced as if this SHVD Agreement did not contain the particular portion or provision held to be void. The Parties further agree to amend the SHVD Agreement to replace any stricken portion or provision with a valid provision that comes as close as possible to the intent of the stricken portion or provision.

20.17 Counterparts. The Parties may execute this SHVD Agreement in counterparts. Each of these counterparts, when signed and delivered, is deemed an original and, taken together, constitutes one and the same instrument. A facsimile or email copy of a signature has the same legal effect as an originally-drawn signature.

20.18 Performance of Acts on Business Days. Section 10.18 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

20.19 [RESERVED]

20.20 Jury Trial Waiver. Section 10.21 of the Umbrella Agreement number [redacted] signed concurrently with this SHVD Agreement is incorporated herein.

Article 21 Definitions

21.1 Terms Defined in Rule 1. As used in this SHVD Agreement, the following capitalized terms have the meanings ascribed to them in Rule 1: Abnormal Risk; Commission; Customer; Permanent Service, Reduction of Service; Service; Standards.

21.2 Terms Defined in Rule 9. As used in this SHVD Agreement, the following capitalized terms have the meanings ascribed to them in Rule 9: Advance; Advance Subject to Potential Refund; Affiliate; Allowance; Allowance True-up; Commercially Reasonable Efforts; Construction Complete; Contingent Facilities; Estimated Full Build-out Project Load ("**EFBPL**"); Final Total Costs; High Voltage Distribution ("**HVD**"); Maximum Allowance; Minimum Requirements; Person; Project; Property Rights; Proportionate Share Allocation; Proportionate Share Refund; Reduction of Service or Termination Charges ("**RSTC**"); Refund; Risk Profile; Security; Security Requirements; Substation and High Voltage Distribution Project ("**SHVD Project**"); Surcharge; Tax Gross-up; Tests; Total Costs; Total Cost True-up; Up-front Allowance.

21.3 Additional Definitions. In addition to the terms defined elsewhere in this Agreement, as used in this SHVD Agreement, the capitalized terms below will have the following definitions:

(A) Acceptance: Utility's written acknowledgement that a particular component of applicable drawings or work is, to the best of its knowledge, compliant with applicable Utility Standards.

(B) Affiliate: A person, from time to time, that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person.

(C) BLM: Bureau of Land Management.

(D) BLM Right of Way Grant: The federal-land Permit for the High Voltage Distribution and/or other electrical facilities that must be issued by the BLM.

(E) Civil Improvement Plans: Civil design drawings and technical specifications that are produced by Applicant for the Improvements.

(F) Contact: The individual appointed by each Party to serve as the single point of contact for all issues relating to the SHVD Agreement, as identified in Exhibit A.

(G) Design: The design Utility prepares for the Project in connection with this SHVD Agreement.

(H) Effective Date: The date this SHVD Agreement is last signed below.

(I) Electric System: Utility's underground and/or above-ground communication facilities and electric systems for the distribution and transmission of electricity.

(J) Force Majeure Event: An event or condition that is beyond the affected Party's control, occurs without the fault or negligence of the affected Party and renders Project performance impossible or impractical. Force Majeure may include, but is not limited to, government agency orders, war, riots, acts of terrorism, civil insurrection, fires, floods, earthquakes, epidemics, weather, strikes, lock-outs, work stoppages and other labor difficulties.

(K) Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

(L) Hazardous Material: Any product, substance, chemical, material or waste whose presence, nature, quantity or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials is either: (1) potentially injurious to the public health, safety or welfare, or the environment; (2) regulated or monitored by any governmental authority; or (3) a basis for potential liability to any governmental agency or third-party under any applicable Permit or Law.

(M) In-Service Date: The date on which the Project is operational, having passed all required testing as part of Utility's Electric System, as determined by Utility in its discretion.

(N) Law: Any federal, state, or local code, ordinance, rule, statute, enactment, regulation, or order. Any specific reference to a Law in this SHVD Agreement refers to the Law as amended from time to time unless otherwise specified.

(O) MPC: Applicant's Peru Shelf master planned community development to which Applicant has requested that Utility provide Service through the Project designed and installed in connection with this SHVD Agreement and Umbrella Agreement.

(P) One-line: Drawings showing the modifications to Utility's Electric System that generally identify the Project. The One-line approved by the Parties is attached to this as Exhibit C-1.

(Q) Permit: Any applicable approval, permit, consent, waiver, exemption, variance, franchise, order, authorization, right, action, or license required from any federal, state, or local governmental authority, agency, court or other governmental body having jurisdiction over the matter in question which is necessary for the Parties to perform their obligations under this SHVD Agreement and under the applicable Laws. Any specific reference to a Permit in this SHVD Agreement refers to the Permit as amended from time to time unless otherwise specified.

(R) Preliminary Layout: The preliminary site plan and/or layout for the SHVD Facilities, as identified in Exhibit C-2.

(S) Power Factor: The relationship between real power (active power, measured in watts) and apparent power (the combination of real and reactive power, measured in volt-amperes). Power factor is expressed mathematically as PF = Real Power (kW) divided by Apparent Power (kVA).

(T) Project Manager: The authorized representative of Utility or Applicant for purposes of this SHVD Agreement, as identified in Exhibit A.

(U) Rule 1: Utility's Electric Service Rule No. 1, Definitions. Rule 1 is part of the Tariff Schedules.

(V) Rule 9: Utility's Electric Service Rule No. 9, Electric Line Extensions. Rule 9 is part of the Tariff Schedules.

(W) Site: The real property upon which Utility will install the Substation, a description of which shall be deemed to be attached to this SHVD Agreement as Exhibit D-1 once the Parties finalize the description of such real property and deliver such description as Exhibit D-1. The Parties shall cooperate in good faith to finalize such description as promptly as possible.

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

(X) SHVD Facilities: All facilities and equipment designed, procured and/or constructed by Utility in connection with the Project that will be maintained and owned by Utility as shown generally in the One-line, including any modifications, additions or upgrades to such facilities and equipment.

(Y) Substation: The proposed Utility-owned 345 kV electric power substation being constructed by Utility in connection with the Project which is needed for Service to the MPC as preliminarily depicted in Exhibit C-2.

(Z) Tariff Schedules: The entire body of effective rates, charges, and rules, collectively, of Utility as set forth in its rate schedules and rules for electric Customers, as those rates, charges, and rules are amended from time to time.

[signature page follows]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

[redacted]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Exhibit A
Contact Information

Utility: Sierra Pacific Power Company d/b/a NV Energy	
Contact – Project Manager	[redacted]
Address	
Mailing Address	
Telephone	
Cellular Telephone	
Email	

Applicant: Reno Power NR 1, LLC, a Delaware limited liability company	
Contact – Project Manager	[redacted]
Address	
Mailing Address	
Telephone	
Cellular Telephone	
Email	

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit B-1</u>
Estimated Cost

Exhibit B-1 Estimated Cost	Estimated Total Costs				Allowances		Advance					
Service: [redacted]	Project Cost ($)	Proration (%)	Applicant Cost ($)	Utility Investment ($)	Upfront Allowance ($)	Applicant Cost Less Upfront Allowance ($)	Advance Subject to Potential Refund ($)	Contribution in Aid of Construction (CIAC) ($)	Tax Rate (%)	Tax Gross-up ($)	Applicant Total ($)	Utility Total and; Applicant Security (with Tax gross-up) ($)
Components of Total Cost Responsibility under Rule 9, Sections A and C.4												
Substation	[redacted]											
Substation (First Transformer Bank and all required facilities to place in service, no outages) - Rule 9, C.4.b.4												
Substation (2nd & 3rd Transformer Banks and all required facilities to place in service) - Rule 9, C.4.b.4												
Substation (Applicant Excess)												
Communications												
Station Service												
Switching Station												
Switching Station (Minimum Requirements with four 345 kV Terminals)												
Switching Station (Applicant Excess with two 345 kV Terminals)												
Communications												
Station Service												
Distribution Lines												
Primary 345 kV HVD Lines												
Redundant 345 kV HVD Lines												
Fiber on Primary 345 kV HVD Lines												
Fiber on Redundant 345 kV HVD Lines												
Land in Fee - Substation												
Site Acquistion NVE Support												
Substation site On-Site Improvements ***												
Substation site at Fair Market Value ***												
Land Rights - Line Fold												
Rights of Way NVE Support												
Third Party Rights of Way Applicant acquires ***												
Environmental - Line Fold												
Compliance and Mitigation												
Lines												
345 kV Line Fold												
Fiber on 345 kV Fold												
Subtotal (*** Applicant Non-Cash Contributions for Tax Gross-up Only)												

- Estimates are subject to True-Up under Rule 9
- Estimated costs are in 2023 dollars and are subject to change
- Cash advances are subject to a tax gross-up in accordance with Nevada Administrative Code ("NAC") 704.6502-NAC 704.6546. The tax gross up rate will be adjusted to the rate in effect at the time the Utility Facilities are Construction Complete. Adjustments will be made in the Cost True-Up
- CIAC and CIAC-related taxes are non-refundable; Advance taxes are potentially refundable according to Rule 9, Section A.32
- Applicant will make or convey all necessary rights of way according to Rule 9, Section A.9 and C.4.b.5
- Applicant is responsible for Applicant Requirements as described in Rule 9, Section A.12
- Additional transformer banks will be installed according to the load forecast.
- Rule 9, Section C.6, allows for Master Planned Community Refunding of Advances
- Rule 9, Section A.31.c allows for subsequent Allowance True-up at the request of the Applicant every 12 months until the Rule 9 Agreement terminates

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Exhibit B-2
Payment & Security Schedule

CONFIDENTIAL

EXHIBIT B-2
[redacted]

PAYMENT SCHEDULE

SECURITY

Payment No.	Payment Due Date	Description	Total Cost After Upfront Allowance (1)	Tax Gross-up After Upfront Allowance	Total Amount Due	Cumulative Payment	Security Due	Cumulative Security
HVD Payments	Various	Design	[redacted]					
		Materials						
		Lands						
		Environmental						
		Construction						
		Payment Due						
		Less Prior HVD #1 Payments/Security						
		Less Prior APA Payment, net refund						
		HVD Payment/Security						
1	Upon Applicant Signature of Agreement	Design						
		Materials						
		Lands						
		Environmental						
		Construction						
		Payment Due						
		Less Prior HVD #2 Payments/Security						
		Payment/Security Due						
2	[redacted]	Design						
		Materials						
		Lands						
		Environmental						
		Construction						
		Payment/Security Due						
3	[redacted]	Design						
		Materials						
		Lands						
		Environmental						
		Construction						
		Payment/Security Due						
4	[redacted]	Design						
		Materials						
		Lands						
		Environmental						
		Construction						
		Payment/Security Due						
5 Non-Cash Contributions Tax Gross-up	[redacted]	Substation site On-Site Improvements						
		Substation site at Fair Market Value						
		Third Party Rights of Ways						
		Payment/Security Due						

Notes:
1. Estimated Costs are in 2023 dollars and are subject to change per the SHVD Agreement.
2. Payment Schedule is based on Exhibit B-1 and is subject to change based on changes to Exhibit B-1.
3. Includes prior payments and security under affiliate agreements

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit B-3</u>
Allowance Estimate

EXHIBIT B-3

MPC ALLOWANCE ESTIMATE

Exhibit B-3 Allowance Estimates	A	B*	C**	D**	E**	F = (A)x(B + C + D + E)
Upfront Allowance						
Rate Schedule	1st Year (kW)	Rule 9, §C.6 S/HVD Allowance (Formula)	Rule 9, §B.2.g Substation Allowance ($/kVA)	Rule 9, §B.2.g Case Specific Allowance ($/kVA)	Rule 9, §B.3 Allowance ($/kVA)	Upfront Allowance
Master Planned Community Service	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Maximum Allowance						
Rate Schedule	EFBPL (kW)	Rule 9, §C.6 S/HVD Allowance (Formula)	Rule 9, §B.2.g Substation Allowance ($/kVA)	Rule 9, §B.2.g Case Specific Allowance ($/kVA)	Rule 9, §B.3 Allowance ($/kVA)	Maximum Allowance
Master Planned Community Service (Allowance through Refunds) GOSLING 345 KV	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Estimate Assumptions and Notes:

MPC Allowance for MPC Substations and MPC HVD shall be computed based on load experienced by the substation or HVD (SHVD) across the MPU

Calculation of Maximum Allowance is per Rule 9, Section C.6 for MPC Substations and MPC HVD and is equal to the Advance Subject to Potential Refund for S/HVD Total Costs

MPC Upfront Allowance is $0 per Rule 9, Section A.24.c and eligible Refunds shall be prorated equally over the remainng years in the Agreement

For Column A see Exhibit B-6, Load Schedule, and Rule 9 Section A.24.c

Calculation of Refund shall be based on the formula in Rule 9, Section C.6.c and the capacity allocated to Applicant, "B", shall be [redacted]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit B-4</u>
Customer Specific Facilities Charge ("CSFC")

EXHIBIT B-4

Customer Specific Facilities Charge ("CSFC")

Line	Customer Specific Facilities Charge ("CSFC") Components	Amount	Notes
(1)	Estimated Customer-Specific Investments Contributed to the Utility	$ [redacted]	A
(2)	Facilities Charge per dollar of Contributed Investment (HVD Service)	[redacted]	C
(3)	**Line (1) * Line(2) - per month**	[redacted]	
(4)	Estimated Customer-Specific Investment by the Utility	[redacted]	B
(5)	Facilities charge per dollar of Utility Investment (HVD Service)	[redacted]	C
(6)	**Line (4) * Line(5)**	[redacted]	
(7)	**Initial CSFC = Line (3) + Line (6)**	[redacted]	
	ANNUAL CSFC	[redacted]	

Notes

A This is the estimated Total Cost of the Utility-Owned Facilities subject to CSFC identified in Exhibit B-1

B This is the Upfront Allowance identified in Exhibit B-3

C See Statement of Rates

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit B-5</u>
Reduction of Service or Termination Charge ("RSTC")

EXHIBIT B-5

Reduction of Service or Termination Charge ("RSTC")

$$\textbf{Reduction of Service Charge} = \frac{\text{Expected Demand - Actual Demand}}{\text{Expected Demand}} \times \text{Upfront Allowance + Utility Investment}$$

where:

The estimated Expected Demand is listed in Exhibit B-6
Actual Demand is any consecutive 12-month average of demand
Upfront Allowance is listed in Exhibit B-3

$$\textbf{Termination Charge} = \text{NPV (Revenue Deficiency)}$$

$$= \text{NPV} \sum_{n=1}^{T-1} (\text{REV - RR})$$

where:

NPV is the Net Present Value
REV is the Revenue Received designed to recover such investment.
RR is the Revenue Requirement associated with the investment
T is the time of early termination

Notes

- A For RSTC see Rule 9, Section A.25
- B For estimated Expected Demand see Exhibit B-6
- C For Actual Demand, billed Maximum Demand to be used. Where no demand charge exists due to applicable rate schedule, Utility will determine a comparable demand value.

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit B-6</u>
MPC Estimated Full Build-out Project Load ("EFBPL")

EXHIBIT B-6

MPC ESTIMATED FULL BUILD-OUT PROJECT LOAD

**** Needs to be coordinated across MPC and Umbrella & SHVD Agreements ****

	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

Notes:

[redacted]

EXHIBIT 2

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit C-1</u>
One-Line

[redacted]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit C-2</u>
Preliminary Layout

[redacted]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit D-1</u>
Legal Description of Site

[To be attached when complete]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit E</u>
Insurance Coverages

1. <u>Types of Insurance Required</u>. In accordance with the "Insurance" Section of the SHVD Agreement, Applicant must procure and maintain in effect and provide, and cause its contractors and subcontractors who are performing work in the Work Area to procure and maintain in effect the following (required limits can be met by use of primary, underlying, and umbrella/excess combinations) until after they have completed their work in the Work Area:

   (A) <u>Workers' Compensation and Employer's Liability Insurance</u>. Workers' compensation insurance in the form and manner required by the State of Nevada. Employer's Liability insurance with the following limits: (1) one million dollars ($1,000,000.00) per each accident; (2) one million dollars ($1,000,000.00) per each employee disease; and (3) one million dollars ($1,000,000.00) in the annual aggregate per each occupational disease.

   (B) <u>Commercial General Liability Insurance</u>. Commercial general liability insurance providing bodily injury, property damage, personal injury/advertising injury, premises/operations, and products/completed operations coverage with a per occurrence limit of not less than two million dollars ($1,000,000.00) and an aggregate limit of not less than two million dollars ($2,000,000.00).

   (C) <u>Automobile Liability Insurance</u>. Commercial automobile liability insurance with a combined single limit of one million dollars ($1,000,000.00) for each person and one million dollars ($1,000,000.00) for each occurrence.

   (D) <u>Excess or Umbrella Liability Insurance</u>. Excess or umbrella liability with a combined single limit of not less than three million dollars ($3,000,000.00) per occurrence. Except with respect to workers' compensation insurance, these limits must "follow-form" all terms and conditions excess of each of the above-mentioned underlying policies.

2. <u>Insurer and Policy Requirements</u>. Each contract of insurance must be with an insurer approved to do business in the State of Nevada, is "A" Rated or better by A.M. Best Company and must include the following provisions or endorsements:

   (A) <u>Additional Insured</u>. Naming Utility, its directors, officers, and employees as additional insureds on the general liability, automobile liability and excess/umbrella liability insurance policies.

   (B) <u>Primary Insurance</u>. Stating that the insurance is primary insurance with respect to the interest of Utility and that any insurance maintained by Utility is excess and not contributory insurance.

   (C) <u>Subrogation Waivers</u>. Providing Utility with waivers of subrogation on all coverages.

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

(D) Severability and Cross Liability. Providing severability of interest and cross liability coverage for general liability, automobile liability and the excess/umbrella liability insurance policies.

(E) Claims-Made Form. If the policy is maintained on a "claims-made" form and is converted to an "occurrence" form, the new policy will be endorsed to provide coverage back to a retroactive date acceptable to Utility.

3. Notice Requirement. Applicant must provide Utility with 30-days prior written notice before the termination, expiration, or alteration of the coverage provided above.

4. Deductible and Retention Limits. Deductible or retention amounts under the policies described above must not exceed 5% of the per occurrence coverage limits, without the express written consent of Utility.

5. Certificate of Insurance. Applicant must provide Utility with certificates of insurance, naming Utility as additional insured, evidencing the coverage required above including additional insured endorsement numbers before Applicant, its contractors or subcontractors commence any work in the Work Area. Applicant must provide Utility with a current copy of the certificate of insurance evidencing the coverage set forth above.

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

Exhibit F
Load Study

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Rule 9, Section C Master Planned Community Substation and High Voltage Distribution Agreement (Abnormal Risk)

<u>Exhibit G</u>
Project Schedule

[redacted]

EXHIBIT 3

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS

A. General Information

A.1. Introduction

a. Overview of Rule. Utility invests in Applicants' Line Extension Projects on behalf of ratepayers. Rule 9 specifies how Projects, which include both new physical connections and customer-requested modifications of Utility's existing electric system, are designed, constructed, inspected, paid for, owned and taxed. The Rule governs how the Total Costs and responsibilities for the construction of and modification of Line Extensions are allocated between Utility and Applicants according to relevant factors, including a Project's size, duration and risk. Rule 9 seeks to balance all of these considerations in an efficient and equitable manner.

b. Organization of Rule. The provisions of Part A, "General Information," apply to both Part B, "All Projects except Master Planned Communities," and Part C, "Master Planned Communities," where appropriate to the context of the Sections in each Part.

c. Rule 9 Definitions. Refer to Section A.34 (Rule 9 Definitions) for terms, expressions and acronyms that have meanings and expressions set forth for the purpose of this Rule.

d. List of Sections. Each section of this Rule needs to be read within the context of the entire Rule. The following is a list of all sections of this Rule.
Part A – General Information

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.1. Introduction (Continued)

d. List of Sections (Continued)

A.16 Proportionate Share Allocations
A.17 Advance
A.18 Taxability of Advances for Line Extensions
A.19 Assignments of Rule 9 Agreements
A.20 Multiple Agreements
A.21 Projects of Temporary Duration
A.22 Allowances for Projects of Short Duration
A.23 Service to Large Projects
A.24 Abnormal Risk Projects
A.25 Reduction of Service or Termination Charges (RSTC)
A.26 Payment Alternatives
A.27 Termination of Projects
A.28 Disputes and Deviations from Rule 9
A.29 Aternate Point of Delivery
A.30 Updating Rule 9 Allowances and Refunds
A.31 True-ups
A.32 Refunds
A.33 Invoices
A.34 Rule 9 Definitions

Part B – All Projects Except Master Planned Communities
B.1 Applicability
B.2 Applicant Cost Responsibility for Substation and High Voltage Distribution Installations
B.3 Allowances
B.4 Term

Part C – Master Planned Communities
C.1 Applicability
C.2 Master Planned Community Definition
C.3 Master Planned Community Boundary
C.4 Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations
C.5 Master Planned Community Advance
C.6 Master Planned Community Refunding of Advances
C.7 Master Planned Community Term

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.1. Introduction (Continued)

Part D – Implementation
- D.1 Previous Rule Agreements
- D.2 Refunds Based on Rule in Effect at Time of True-up
- D.3 Effective Date for All other Provisions

Attachments:

Attachment 1: Proportionate Share Allocations per Unit
Attachment 2: Taxability of Advances for Line Extensions -- Tax Gross-up Rate
Attachment 3: Allowances for Line Extensions other than Master Planned Communities Levels
Attachment 4: Refunds for Master Planned Communities
Attachment 5: Allowances for Projects of Short Duration

e. Revisions Governing Bonus Depreciation. Amendments to this Rule 9 enacted in response to Advice Letter No. 574-E will apply to Rule 9 Agreements executed on or after the filing date of Advice Letter No. 574-E (N)

A.2 Engineering, Design & Inspection

a. Introduction. Utility shall be responsible for the engineering, design, and inspection of all Projects. Such engineering, design and inspection by Utility shall apply only to those electric facilities that Utility will own and maintain.

b. Preliminary Design.

1. Applicant shall submit via facsimile, electronic or hand delivery a completed project information sheet to Utility for Applicant's Project. The Utility project information sheet shall specify all information generally required for preparation of the preliminary diagram of service connection points and preliminary estimate of Total Cost requirements and include instructions regarding completion of the project information sheet to ensure that all of the information that Utility needs is provided.

2. Upon the request of Applicant, Utility shall prepare a preliminary diagram of service connection points consistent with the information provided in the project information sheet and a preliminary estimate of Total Cost requirements attributable to the Project (other than for particularly complex projects such as mines) at no direct cost to the Applicant.

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS

(D, N)

A. General Information (Continued)

A.2. Engineering, Design & Inspection (Continued)

3. Applicant is entitled to one preliminary diagram of service connection points and preliminary Total Cost estimate per project at no direct cost to Applicant. Absent any Applicant changes to the scope or nature of Applicant's project, or information provided by Applicant that is incorrect, in the event that the preliminary diagram of service connection points contains Utility generated errors or omissions, Utility will prepare a revised preliminary diagram of service connection points and a revised preliminary Total Cost estimate (if necessary) at no cost to Applicant.
4. Preliminary diagrams of service connection points and preliminary estimates of Project Total Cost are subject to change to match the actual conditions as identified at the time of the binding design.

c. Applicant's Requirements for Binding Design. Prior to the start of binding design work, Applicant shall sign a Design Initiation Agreement with Utility to perform the work, provide an Advance of all estimated Total Costs for design preparation, and provide a complete set of all of the following information and documentation required to design Applicant's Project:

1. a proposed construction schedule and in-service date, and any critical benchmark dates; and
2. Estimated Full Build-out Project Load ("EFBPL") for all phases of Applicant's development; and
3. pertinent maps to suitable scale, in a format acceptable to Utility for those areas to be developed showing:
   (a) identification of all roadways, throughways and rights of way
   (b) lot layouts, including assessor parcel numbers and parcel sizes;
   (c) ownership or control of all parcels;
   (d) identification of each business entity that will be served;
   (e) electrical site plan and loads;
   (f) requested point(s) of delivery;

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS (D, N)

A. General Information (Continued)

A.2. Engineering, Design & Inspection (Continued)

c. Applicant's Requirements for Binding Design. (Continued)

3. (continued)

(g) record of survey information;

(h) if requested by Utility, contours or other indications of relative elevations and grade of the area to be developed; and

4. known conflicts with existing facilities, rights of way, environmental and/or other required permitting; and

5. other information Utility determines is necessary for it to prepare a binding design, based on the nature of the Project.

d. Binding Design

1. Total Costs. Applicant shall be responsible for the Total Costs associated with:
(a) Applicant's request for final and binding design, inclusive of detailed plans, specifications, Total Cost estimates, and projected construction dates for a specific Project; and
(b) all additional or subsequent design work or estimates, including alternative service scenarios.

2. Binding Design Agreement. For all such binding design work, Applicant shall be required to enter into a Rule 9 Agreement with Utility requiring Applicant to pay Utility all reasonable Total Costs incurred by Utility for the preparation of such design. A binding design as provided by Utility is subject to change as a result of Applicant feedback and field conditions. Absent any Applicant changes to the scope or nature of Applicant's project, or information provided by Applicant that is incorrect, the developing binding design revisions that result from Utility errors or omissions shall be borne by Utility.

3. Contingent Facilities. The binding design will identify all known Contingent Facilities.

(Continued) (D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.2. Engineering, Design & Inspection (Continued)

e. Deadlines for Standard Projects. For Standard Projects that do not include the installation of a Distribution Feeder or contain other unusual features, the following processes and timelines shall apply:

Timeframe	Action	
Timeframe 1: Within fifteen (15) business days after Applicant delivers project information sheet to Utility that contains all required information	Utility shall deliver to Applicant a planning memo with a preliminary diagram of service connection points (if Applicant requested), a preliminary estimate of Total Cost (if Applicant Requested) and a Design Initiation Agreement (DIA)	(T) (T) (T)
Timeframe 2: Within twenty (20) business days after Utility delivers Design Initiation Agreement to Applicant	Applicant shall return a signed Design Initiation Agreement to Utility.	(T)
Timeframe 3: Within three (3) business days after Applicant delivers signed Design Initiation Agreement to Utility	Utility shall notify Applicant of the identity of the Project coordinator.	(T)
Timeframe 4: Within sixty (60) business days after Utility notifies Applicant of the identity of the Project coordinator	Applicant shall contact Project coordinator to request a pre-design meeting.	(T)
Timeframe 5: Within ten (10) business days after: 1. Applicant provides all information required by Subsection A.2.c to Utility; and 2. Applicant or Utility requests a pre-design meeting	Utility and Applicant shall hold a pre-design meeting.	(T)
Timeframe 6: Within twenty-five (25) business days after Applicant: 1. Returns the executed Design Initiation Agreement to Utility; and 2. Provides all information required by Subsection A.2.c to Utility; and 3. Provides to Utility Advances that Utility requires to complete design work; and 4. Completes a pre-design meeting	Utility shall deliver updated costs estimate (if Applicant requested and provided that the updated cost estimate is not deemed to be final), binding design and Design Approval Agreement (DAA) to Applicant. If a pre-design meeting is not requested by Applicant or Utility, completion of items (1)-(3) will initiate the timeline.*	(T) (T)

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.2. Engineering, Design & Inspection (Continued)

e. Deadlines for Standard Projects. (Continued)

Timeframe 7: Within twenty (20) business days after Utility delivers a binding design and a Design Approval Agreement to Applicant	Applicant shall deliver the executed Design Approval Agreement to Utility.	(T)
Timeframe 8: Within ten (10) business days after Utility receives directly, or Applicant provides, all required government approvals (obtained by Utility or Applicant as specified by law) and all required signed Property Rights documents, provided the government approvals and Property Rights documents are in a form acceptable to Utility (if prepared by Applicant)	Utility shall deliver the Rule 9 Agreement and final cost estimate to Applicant.	(T)
Timeframe 9: Within ninety (90) business days after Utility delivers Rule 9 Agreement and cost estimate to Applicant	Applicant shall return executed Line Extension Agreement and applicable advances to Utility.	(T)

* If a Governmental Entity imposes a new requirement related to the (T)
design or construction of Line Extension facilities that prevents the time (T)
required to prepare the binding design from being met, then the 25- (T)
business day timeline shall not apply. Instead, Utility will notify Applicant of the new requirement in writing, Utility and Applicant will meet and confer about the new requirement and the impact of the new requirement on the design timeline, and Utility and Applicant will develop a mutually agreeable schedule for completion of the binding design.

f. Deadlines for All Other Projects. For all other Projects, upon receipt of the project information sheet that contains all required information, Utility and Applicant will develop a mutually agreeable schedule for completion of the binding design.

A.3. Minimum Requirements

a. Design Based Upon Estimated Full Build-out Project Load (EFBPL). Utility, in consultation with the Applicant, shall design Line Extensions which in the opinion of Utility are required to serve the EFBPL per the information provided by Applicant to Utility to obtain the binding design pursuant to Section A.2 (Engineering, Design & Inspection). Utility or any other parties authorized by Utility to perform construction pursuant to Section A.14 (Construction) will construct Line Extensions as specified by this design.

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.3. Minimum Requirements (Continued)

b. Minimum Requirements Design. Utility, in its engineering and design of the Project shall:

1. only specify and design the minimum facilities that Utility determines are necessary, consistent with Utility Standards, either to provide New Service to Applicant or to modify existing facilities ("Minimum Requirements"); and

2. not be required to deviate from Utility Standards (and the use and application of Utility Standards shall not constitute exceeding the Minimum Requirements); and

3. have the discretion to select the size, type and quality of materials to be used for any Line Extension consistent with a Minimum Requirements design; and

4. make Utility's design Standards (for standard voltages) available at Applicant's request. Construction standards relating to the Applicant's installation requirements under Section A.12 (Applicant's Installation Requirements) and Subsection A.14.c (Developer Contracts Administrative Program) are available from the Utility.

c. In Excess of Minimum Requirements. If Utility, Applicant or another party requests facilities in excess of the Minimum Requirements necessary to meet the Applicant's requirements, then all incremental Total Costs attributed to such excess requirements shall be at the requesting party's sole expense which shall be advanced as a CIAC (See Section A.7).

A.4. Nearest Capacity Source and Most Cost-Effective Route

Utility shall design and construct the Line Extension from the nearest existing source of available capacity to Applicant's Point of Delivery along the shortest practical, most cost-effective route which is deemed suitable by Utility. Notwithstanding the preceding sentence, Utility's design shall conform to the following provisions.

a. Nearest Versus Least Cost. Except as otherwise provided in Subsection A.5.a, if a conflict arises between a route from the nearest source and the least Total Cost route, Utility shall consider all relevant factors and choose the route that is the lowest Total Cost, accounting for those factors and mitigating circumstances.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. **General Information** (Continued)

A.4. **Nearest Capacity Source and Most Cost-Effective Route** (Continued)

b. No Conflict with Existing Plans. Utility shall not be required to design or construct a Line Extension which is in conflict with the existing obligations contained in any previously accepted design, agreement or construction. Utility shall use Commercially Reasonable Efforts to design the Project so as to avoid known conflicts and shall identify all known conflicts in the binding design. Upon the request of the Applicant, Utility must provide the specific details of the conflict that pertains to any previously accepted design, agreement or construction without revealing confidential information. While Utility is responsible for determining the most cost-effective route pursuant to this Section A.4, at Applicant's request, Utility will consult with the Applicant in an effort to avoid known conflicts.

c. Contingent Facilities. If Contingent Facilities have been identified in the binding design and Utility acquires updated information about the status of the Contingent Facilities that affects Applicant's Project, Utility will provide that updated non-confidential information to Applicant as soon as practicable. If the identified Contingent Facilities are not installed, then the design for Applicant's Project will change, and the Total Costs, may change.

A.5. **Alternate Routes**

a. Applicant Requested. Applicant may request that the Line Extension be constructed along a route different from the route proposed by Utility; and, where Utility is agreeable to such route, Applicant shall be responsible for all incremental Total Cost increases attributed to such route. Applicant shall provide to Utility the estimated incremental Total Cost by advancing a CIAC.

b. Utility Requested. Utility may design and construct the Line Extension along an alternate route when such route, in the opinion of Utility, best serves the interests of Utility and Applicant; and in such situations, all additional Total Costs attributed specifically to the alternate route shall be at Utility's sole expense.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.5. Alternate Routes (Continued)

c. Franchisor Requested. Where Applicant is also the Franchisor for the area in which Line Extension facilities are to be constructed, in whole or in part, outside of the public right of way and requests Utility to utilize an Alternate Route that is in a public right of way under the jurisdiction of Applicant, then Applicant shall:

1. pay for all incremental Total Costs attributed to such Alternate Route, as determined by Utility; and

2. provide Utility (a) for facilities that are being relocated pursuant to Section A.6, a recordable real property right in the public right of way that is deemed to be a Prior Right for the facilities being relocated (with dimensions Utility determines are required for the relocated facilities in the new location) that is comparable to the property right Utility holds for the facilities being relocated; and (b) for new facilities, a recordable real property right in the public right of way that is comparable to the property right Franchisor would have been required to provide to or obtain for Utility along the route proposed by Utility pursuant to Section A.4 and is deemed to be a Prior Right.

d. Utility Facilities Incompatible with Public Right of Way. Utility shall under no circumstances be required to place vaults, transformers, switches or switch cabinets, transmission facilities or any other facilities in the public right of way that Utility reasonably determines are incompatible with the public right of way for reasons of safety, current or future cost or other reasons consistent with Good Utility Practice. If the Applicant disagrees with Utility's decision not to place such facilities in the public right of way, Utility shall meet and confer with the Applicant to discuss the issue before making a final decision.

A.6. Alteration of Existing Facilities

a. Requests for Alteration. An Applicant's request for the Alteration of Existing Facilities can be one of the following categories.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued) (D, N)

A. General Information (Continued)

A.6. Alteration of Existing Facilities (Continued)

a. Requests for Alteration. (Continued).

1. No Increase in Demand or Units. If Utility agrees to make such changes then Applicant shall be responsible to advance a CIAC to Utility for all Total Costs attributed to such work. All such work, including franchise work, shall be performed under a Relocation and Removal Agreement

2. Net Increase in Demand or Units. When alteration results in a net increase in demand or units and if the facilities to be modified, rearranged or relocated are in physical conflict with the Applicant's reasonable construction necessary to effectuate such increases, then Applicant shall be eligible for an Allowance. Such Allowance is limited to the resulting identifiable net increase in demand or number of units and will reduce only the associated Total Cost responsibility for the relocation or removal.

3. Alteration Necessitated by Establishment of Final Grade and Alignment. When alteration, modification, or relocation of Utility's facilities is required by a Local Governmental Entity ("LGE") approving establishment of final grade and alignment pursuant to Section A.10, Applicant shall advance a CIAC to Utility for the Total Cost to relocate, modify and remove electric facilities to accomplish final grade and alignment.

b. Real Property Right. Nothing in this Section shall alter the rights of any party pursuant to any legally recorded easement or other document (or set of circumstances) that legally gives a party a Prior Right. For relocation of facilities where Subsection A.6.c does not apply, Applicant shall provide or obtain, without expense to Utility, rights of way satisfactory to Utility for the facilities being relocated.

c. Franchise Agreements. Where Applicant is also the Franchisor of the area in which Utility facilities are located, and Utility and Applicant (as Franchisor) are parties to a franchise agreement, the following will apply:

(Continued) (D, N)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.6. Alteration of Existing Facilities

c. Franchise Agreements. (Continued)

1. When Utility documents that it has Prior Rights inside Applicant's right of way or that franchise agreement is silent with respect to Total Cost responsibility for facilities relocations inside Applicant's right of way, then Rule 9 governs allocation of Total Cost and how facilities are built.

2. When Utility does not have Prior Rights inside Applicant's right of way and that franchise agreement requires Utility to relocate its facilities in the right of way and pay for that relocation, then Utility will be responsible for that Total Cost and Franchisor must provide Utility with a property right or a new location in the public right of way before Utility is required to relocate its facilities.

d. Utility's Standards and Good Utility Practice. In all cases, Utility shall determine – using Utility's Standards and Good Utility Practice – the design, location, and materials used for and construction of the facilities being installed or relocated.

A.7. Contributions in Aid of Construction (CIAC)

a. CIAC Required. A CIAC, which is a non-refundable contribution of monies and/or facilities which is not eligible to be offset by an Allowance, is required from an Applicant for purposes including but not limited to the following:

1. when an Applicant requests the installation of a Line Extension in excess of the Minimum Requirements necessary to provide service to Applicant, pursuant to Section A.3 (Minimum Requirements), the incremental cost shall be a CIAC;

2. when an Applicant requests that a Line Extension be constructed along a route different from the route proposed by Utility, pursuant to Section A.5 (Alternate Routes);

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.7. Contributions in Aid of Construction (CIAC)

a. CIAC Required. (Continued)

3. when an Applicant requests that Utility modify, rearrange, relocate, or remove any of Utility's existing facilities for any purpose that does not effect an increase in demand or number of units that will take service, pursuant to Section A.6 (Alteration of Existing Facilities);

4. the Total Costs to obtain right of way that is required in order to install the requested facilities, pursuant to Section A.9 (Property Rights);

5. when Utility's facilities are installed prior to the establishment of final grade or road alignment and such installations comes into conflict with the establishment of future grade or road alignment and are required to be relocated, pursuant to Section A.10, (Final Grade and Alignment); and

6. when the Total Cost of a Master Planned Community HVD that exceeds the Total Cost of two miles of overhead HVD pursuant to Section C.4 (Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations).

b. Advance Subject to Potential Refund Becomes a CIAC at End of Term. Upon the expiration of the Rule 9 Agreement, Applicant shall forfeit any remaining balance of the Advance Subject to Potential Refund and Utility will account for that remainder as a CIAC, pursuant to Section A.17 (Advance).

A.8. Service Conductors and Service Connection Points

a. Utility Ownership. All service conductors shall be furnished, installed, owned and maintained by Utility.

b. Applicant's Requirements. Applicant shall provide at no expense to Utility a service connection point in Applicant's panel in accordance with Utility's Standards.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.8. Service Conductors and Service Connection Points (Continued)

c. Utility Design. Utility shall designate Applicant's meter location and determine the length of service conductors consistent with Utility's Standards, along the shortest, most cost-effective and practical route which enables electric service to the meter.

d. Applicant's Total Cost Responsibility. All service conductor expenses incurred by Utility are Total Costs for which Applicant is responsible and are eligible to be offset by an Allowance or Refund except those that fall under Subsection A.6.a.1 (No Increase in Demand or Units).

A.9. Property Rights

a. Minimizing Total Costs. Consistent with Sections A.4, A.5 and A.6, Utility shall make Commercially Reasonable Efforts to install facilities within public roads and highways. Utility shall under no circumstances be required to place vaults, transformers, switches, switch cabinets, transmission facilities or any other facilities in the public right of way that Utility reasonably determines are incompatible with the public right of way for reasons of safety, current or future cost or other reasons consistent with Good Utility Practice. If Applicant disagrees with Utility's decision not to place such facilities in the public right of way, Utility shall meet and confer with Applicant to discuss the issue before making a final decision. If Utility determines that the facilities should not be installed in public roads or highways, Applicant must obtain satisfactory rights of way across public lands or private property at no expense to Utility.

b. Applicant's Total Cost Responsibility. Applicant will, without reimbursement, make or procure conveyance to Utility such rights of way for any Project across property owned or controlled by Applicant or others, which in the opinion of Utility is deemed necessary for, or incidental to, the supplying of service to Applicant or the requested Alteration of Existing Facilities.

c. Eminent Domain. If Applicant cannot obtain the required rights of way, Utility may, by powers of eminent domain, if applicable, or otherwise obtain rights of way at the sole expense of Applicant.

d. Payment by CIAC. Applicant shall provide a CIAC (see Section A.7.a) to Utility for all Total Costs to acquire such rights of way.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.10. Final Grade and Alignment

a. Applicability. The obligations in this Section only apply to the original Applicant whose line extension request necessitates that electrical facilities be installed prior to the establishment of final grade or alignment of the roads, streets or alleys. Final grade and alignment may be established physically or on plans finalized and approved by the LGE with jurisdiction over the road, street or alley. This Section A.10 does not apply to electrical facilities that are installed in a road, street or alley after the establishment of final grade and alignment.

b. Original Applicant's Total Cost Requirements. Applicant at whose request the Line Extension or relocation was constructed prior to the establishment of final grade or alignment shall advance a CIAC for the Total Cost to relocate, modify and remove electric facilities when:

1. those electric facilities were installed in a road, street or alley at Applicant's request before final grade and alignment for the road, street or alley was initially established by the LGE; and
2. a conflict subsequently arises due to the establishment of final grade; and
3. Utility would otherwise be required to relocate those electric facilities at its expense.

c. Local Government Entity Responsibility as Original Applicant.

1. Exception. Under A.10.b, an LGE is responsible for the costs of relocating Utility's facilities installed prior to establishment of final grade and alignment when the LGE was the original Applicant for such facilities, unless (a) the LGE requires that Utility's facilities be installed prior to the establishment of final grade and alignment for reasons of safety, coordination with public works projects, or establishment of intersections, and (b) prior to the establishment of final grade and alignment, LGE notifies a subsequent entity that it must contact Utility to enter into a Rule 9 Agreement with Utility pursuant to Section A.6, prior to LGE's approval of the final grade and alignment, and (c) the subsequent entity/developer enters into a Rule 9 Agreement with Utility and becomes responsible for the relocation costs.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.10. Final Grade and Alignment (Continued)

c. Local Government Entity Responsibility as Original Applicant.

2. Cooperation. Utility and LGE will cooperate with each other, and meet and confer as may be required individually or collectively with subsequent entity/developer , regarding the Rule 9 Agreement required for the alteration of those facilities necessary to accomplish the request for the establishment of final grade and alignment.

3. Establishing Final Grade and Alignment. After the subsequent entity/developer enters into the Rule 9 Agreement and becomes an Applicant, the LGE with jurisdiction will facilitate completion of the establishment of final grade and alignment with Applicant, and Applicant will be held responsible for the Total Cost of relocating the facilities under the new Rule 9 Agreement, pursuant to Section A.6.

d. Establishing Final Grade and the Alignment. Working with the LGE with jurisdiction over the area, the original Applicant may facilitate the legal establishment of the final grade and the alignment for the roads, streets and alleys at issue by the LGE.

e. Termination of Applicant's Responsibility. Applicant's Total Cost responsibility under this Section terminates on the earlier of: (1) the date the final grade and alignment for the particular road, street or alley is established; or (2) the date Applicant's Rule 9 Agreement terminates.

f. Security Requirement. Utility may require Applicant to provide Security for the estimated Total Cost of any potential relocation, removal or modification of the electric facilities that might be required. After Applicant's Total Cost responsibility pursuant to this Section terminates and Applicant provides Utility with a written request and adequate documentation, Utility will release the Security.

g. Utility's Rights. Nothing in this Section shall alter Utility's rights or remedies pursuant to any recorded property right, contract, other document or set of circumstances.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.11. Customer Owned Facilities

a. Applicant's Responsibilities. Any electric appurtenances on Applicant's side of the Point of Delivery must be:

1. constructed, owned and maintained by Applicant, and its successors or assigns, and
2. properly inspected and approved by all applicable Governmental Entities.

Applicant will assume all liabilities associated with such electric appurtenances and such liability shall terminate upon (a) Applicant assigning or transferring such appurtenances to a third party and (b) the third party assuming liability for such appurtenances in writing and in a form acceptable to Utility.

b. Services for Primary Facilities and HVD. An Applicant with a project requiring primary distribution of 4 KV or greater on Applicant's side of the Point of Delivery, may request Utility to:

1. design, supply materials for, and/or construct such facilities; and/or
2. perform routine maintenance on such facilities; and/or
3. perform emergency services on such facilities.

c. Total Cost Responsibility. If Utility agrees to perform one or more of the services described in Subsection A.11.b (Services for Primary Facilities and HVD), Applicant shall sign a special contract outlining the specific services to be provided and that (at a minimum):

1. provides for the full recovery of all Utility's costs and a determination be made that the No Harm provision of Subsection A.11.d is met; and
2. provides that the Applicant pay any current assessment, or be responsible for any future assessment, of Tax Gross-up for these CIACs pursuant to Internal Revenue Service ("I.R.S.") rulings and for which Utility may require Security.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.11. Customer Owned Facilities (Continued)

d. No Harm. Provision of any or all parts of Applicant's request must not adversely affect the integrity of Utility's electric service to any other Customer or affect the Total Cost of service to other Customers of Utility.

A.12. Applicant's Installation Requirements

a. Applicant's Requirements. Applicant shall, at no expense to Utility, provide all labor, equipment and materials necessary for and incidental to the installation of the following facilities for any underground Line Extension or relocation, as Utility deems necessary and appropriate:

1. trenching, back-filling, excavation and pavement removal; and
2. restoration and repaving; and
3. conduits and risers (except as noted in A.15.b (Reimbursement for Applicant Installed Conduit); and
4. transformer pads, vaults, enclosures and boxes; and
5. all other work and materials relating to such structures and substructures.

b. Inspection and Ownership. After inspection and written acceptance by Utility, all such materials shall become the property of Utility and shall be maintained by Utility.

c. Joint Trenching. Joint trenching telephone and/or cable television shall be required when:

1. such arrangements are not in conflict and are consistent with Utility's Standards; and
2. Utility incurs no additional expense peculiar to such arrangements; and
3. the electric, telephone and/or cable television utilities serve Applicant from the same direction or along any compatible route.

d. Utility's Rights. Nothing in this Rule prohibits Utility from continuing to install service laterals in a joint trench with other Utility facilities as addressed in Utility's Standards

(D, N)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.12. Applicant's Installation Requirements

e. Utility Standards. All work performed by Applicant under this Rule shall be in accordance with Utility's Standards and applicable federal, state and local laws and regulations.

f. Exception for Governmental Entity. Notwithstanding the above, if Applicant is a Governmental Entity, upon written request by the Governmental Entity, Utility may perform such work on behalf of and at the sole expense of Applicant.

g. Delays. Delays in Applicant installation of substructures will delay Utility's installation of facilities.

A.13. Advance for Non-Inventory Materials

Prior to initiating any order for non-inventory materials not normally stocked by Utility in the quantities and/or type required for Applicant's Project, particularly those of high cost and/or with a long lead time, Utility may require Applicant to sign a Rule 9 Agreement and provide the estimated Total Costs of such materials as an Advance Subject to Potential Refund, including transportation, warehousing and contingency.

A.14. Construction

a. Furnishing of Materials and Construction. At Applicant's Total Cost, Utility shall be responsible for the furnishing of all materials required for and the construction of the Project except those materials and the construction specifically designated as Applicant's responsibility in Section A.12 (Applicant's Installation Requirements) and the construction that is performed by a DCA Contractor under Subsection A.14.c.

b. Least Cost Materials. Utility shall:

1. use Commercially Reasonable Efforts to obtain such materials at the least Total Cost that meet Utility's established Standards and specifications and are consistent with Utility's operating experience; and
2. charge material and equipment Total Costs to Applicants under this Rule 9 and itself in a non-discriminatory manner.

(D, N)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.14. Construction

c. Developer Contracts Administrative Program (DCA). At Applicant's request, Applicant may have eligible facilities (for specified tasks) installed in accordance with Utility's Developer Contracts Administrative ("DCA") Program, pursuant to the following requirements and conditions:

1. Project Applicability. The DCA Program is limited to underground installations for residential subdivisions, custom homes, apartments, condominiums, mobile homes and multi-family homes. For subdivisions, apartment complexes, and condominium complexes, DCA work may only be performed inside the boundaries of these projects.

2. Eligible Facilities and Tasks.

(a) The DCA program is limited to the following work, which may be performed only prior to energization of the facilities:

(1) installation of single-phase pad-mounted transformers; and

(2) installation of single phase primary cable (typically 15 kV and 25 kV) in specified size of conduit; and

(3) installation of de-energized 600 volt rated secondary and service cables; and

(4) termination of 600 volt services at junction boxes and de-energized customer panels.

(b) The following work may not be performed under the DCA Program:

(1) terminations or connections on any part of an energized system; and

(2) installation of 3-phase underground primary cable, quadraplex secondary cable or quadraplex secondary service; and

(3) installation of overhead facilities; and

(4) Installation of switch/fuse cabinets, 3-phase transformers and capacitor banks.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.14. Construction (Continued)

3. DCA Contractor List. Utility shall pre-qualify contractors to perform construction of Line Extensions ("DCA Contractor"). Applicant may select a DCA Contractor from Utility's list of qualified contractors to perform specified tasks for construction of specified facilities of Applicant's Project.

4. DCA Contractor Qualifications. In order to qualify as a DCA Contractor, a contractor must meet all of the following qualifications:

   (a) License. Possess either (1) a full C-2 License, or (2) both a C2(e) license and an A19 license, issued by the State of Nevada; and

   (b) Qualified Employees. Employ workers properly qualified for the specific skills required; and

   (c) Legal Compliance. Comply with all applicable federal, state and local laws and regulations (including but not limited to safety and environmental laws); and

   (d) Technical Ability. Demonstrate technical competence and have access to adequate equipment; and

   (e) Financial Responsibility. Demonstrate financial responsibility commensurate with the scope of the contract; carry adequate insurance coverage (worker's compensation, liability, property damage, etc); and be able to furnish a surety bond to Utility for performance of the contract, if required; and

   (f) Assessment Test. Successfully complete an assessment test administered by Utility.

5. Agreement. Utility will enter into an Agreement with the DCA Contractor containing (at a minimum) the following provisions.

   (a) Payment for Labor. The DCA Contractor will be paid by Utility for construction and installation of the specified facilities installed under the DCA Program as outlined in the DCA Contract.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.14. Construction (Continued)

5. Agreement. (Continued)

(b) Materials. At Applicant's Total Cost, DCA Contractor shall obtain all of the materials for facilities installed under the DCA Program from Utility.

(c) Scheduling. Applicant will work directly with the DCA Contractor for the scheduling, performance, and completion of the contracted work.

(d) Compliance with Standards and Laws. The DCA Contractor must perform all construction in compliance with the approved design for the Project, the applicable contract with Utility, and Utility's Standards and applicable federal, state and local laws and regulations.

(e) Utility Review. Utility shall at all times have the right to review, inspect, and approve the work performed by the DCA Contractor.

A.15. Total Costs

a. Applicant Total Cost Responsibility. Except as otherwise specifically provided in this Rule, Applicant has Total Cost responsibility for Applicant's Project and is required to advance Total Costs prior to the start of construction.

b. Reimbursement for Applicant Installed Conduit. For residential developments, the Total Cost for conduit and risers in a residential development or within one hundred (100) feet of a residential development shall be included in the Advance Subject to Potential Refund and shall not be subject to the requirements of Section A.12 (Applicant's Installation Requirements). Applicant shall provide and install conduit which will be valued reasonably, as determined by Utility.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. **General Information** (Continued)

A.16. Proportionate Share Allocation

a. Calculation. The Proportionate Share Allocation shall be calculated, using the data listed in Attachment 1 (Proportionate Share Allocations per Unit) to this Rule by:

1. multiplying the capacity and length of the previous Line Extension to be utilized by Applicant by the Total Cost per foot per kVA listed for the type and size of conductor; and

2. applying the Total Cost per kVA for switches and transformers of the previous Line Extension.

b. Eligible for Allowance Offset. The Proportionate Share Allocation, whereby a subsequent Applicant pays a preceding Applicant, shall be included in those Total Costs that are subject to be offset by any applicable Allowance.

c. Waiving Collection. An Applicant may waive the collection of a Proportionate Share Allocation from subsequent Applicants and the Refunds associated with those Total Costs by providing written direction to Utility in a form acceptable to Utility. An Applicant that waives collection of a Proportionate Share Allocation from a subsequent Applicant shall have its Advance Subject to Potential Refund reduced by said amount.

d. MPC. Where such portions of a Line Extension directly connects to the electric facilities installed pursuant to a Rule 9 Agreement between a MPC and Utility, then

1. where a Line Extension is located partially in a MPC and the remainder of the Line Extension is located outside the MPC, a subsequent Applicant shall pay Proportionate Share Allocations only for the portions of the Line Extension located outside the MPC; and

2. Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.17. Advance

a. Components of Advances. Advances from Applicants have three components:

1. Contribution in Aid of Construction (see Section A.7, Contributions in Aid of Construction); and
2. Advance Subject to Potential Refund (see Section A.34, Definitions); and
3. Tax Gross-up (see Section A.18, Taxability of Advances for Line Extensions).

b. Advance Required with Rule 9 Agreement. Applicant shall pay to Utility the full amount of any Advance or other payment required by this Rule at the time of execution of the Rule 9 Agreement unless:

1. at the request of Applicant, Utility approves a Payment Alternative in accordance with Section A.26 (Payment Alternatives); or
2. by mutual agreement of Applicant and Utility, the Rule 9 Agreement is for a Phased Project.

c. Advance Required Prior to Start of Construction. Utility is not obligated to start or continue any construction work until all such Advances and/or other payments have been made.

d. No Interest. Utility shall not pay interest to Applicant on any Advance made by Applicant to Utility pursuant to this Rule.

e. Advance Subject to Potential Refund Becomes a CIAC. Any portion of an Advance Subject to Potential Refund submitted in accordance with the terms of a Rule 9 Agreement, for which a Refund has not been made and for which a Refund is not due, shall be forfeited by the Applicant and accounted for by Utility as a CIAC upon the expiration of the Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.18. Taxability of Advances for Line Extensions

a. Tax Gross-up. All Advances Subject to Potential Refund, CIACs and the reasonable value of non-cash contributions provided by Applicant as described in Section A.12 (Applicant's Installation Requirements), B.2.c (Land), and C.4.c (Substation Site) that trigger an income tax liability for Utility are subject to a Tax Gross-up (See A.34, Definitions) in accordance with NAC 704.6502 through NAC 704.6546. The Tax Gross- up shall be included in Applicant's required Advance and shall be collected by Utility on or before the execution of the Rule 9 Agreement.

b. Effective Date of Gross-up Rate: For Standard Projects, the Tax Gross-up rate in effect on the Agreement execution date shall apply. For Large Projects, MPC Projects, Relocation and Removal Projects, Substation and (N)
HVD Projects, and Abnormal Risk Projects, the Tax Gross-up rate in effect (N)
on Construction Complete shall apply. For purposes of this provision, the (D, N)
Agreement execution date shall be deemed to be the date Utility | |
prepares the Agreement for review by Applicant. (D, N)

c. No Retroactivity. Updates to the Tax Gross-up rate shall not be applied retroactively, except as provided in Attachment 2 (Taxability of Advances (N)
for Line Extensions -- Tax Gross-up Rate). (N)

d. Determination of Taxability. If Applicant disagrees with Utility's determination of taxability, Applicant may request that Utility seek a Private Letter Ruling from the I.R.S. advising Utility and Applicant regarding the tax treatment they can expect from the I.R.S. based upon the facts and circumstances specified by the ruling, mutually agreed upon by Utility and Applicant, provided that Applicant pays the costs Utility actually incurs to seek the Private Letter Ruling, including all costs of preparation and filing fees. As an alternative, Applicant may, at its own expense, provide an opinion from an independent CPA firm or law firm that its Advance paid to Utility is not taxable. The opinion provided to Utility must meet the threshold of a "should" opinion. While Utility is ultimately responsible for the positions taken on its tax return, it will take into consideration a "should" opinion submitted by an independent CPA firm or law firm.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. **General Information** (Continued)

A.18. Taxability of Advances for Line Extensions (Continued)

e. Valuation of Non-Cash Contributions. The reasonable value of non-cash contributions is determined by Utility. In the case of a land contribution, the appraisal will be prepared by an appraiser holding a MAI membership designation from the Appraisal Institute ("MAI Appraiser") mutually agreed to by Applicant and Utility, hired by Utility and paid for by Applicant. In such case, if mutual agreement cannot be reached, Utility will hire a MAI Appraiser paid for by the Applicant. If Applicant disagrees with the value assigned to its non-cash contribution(s), it may, at its own expense, have an independent appraisal performed of the contributed property and submitted to Utility by a MAI Appraiser. While Utility is ultimately responsible for the positions taken on its tax return, it will take into consideration the Applicant's appraised value.

f. Refunds. For Refunds resulting from Total Cost True-up (see Sections A.31, True-ups and A.32, Refunds), Utility shall return to Applicant an applicable pro rata share of the actual Tax Gross-up amount that was collected, to Applicant.

g. Current Rates. The current Tax Gross-up rates are provided in Attachment 2 (Taxability of Advances for Line Extensions -- Tax Gross-up Rate) to this Rule.

A.19. Assignment of Rule 9 Agreements

a. Limitations on Assignment. Executed Rule 9 Agreements may only be assigned in whole and when:

1. Utility receives and accepts a properly executed assignment document prior to the termination of the Rule 9 Agreement; and
2. Applicant has the legal ownership or possession of the associated development or property; and
3. all outstanding Invoices and other Total Cost obligations for the Project have been paid in full.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.19. Assignment of Rule 9 Agreements (Continued)

b. Applicant Responsibilities. Utility may require the original Applicant to have continuing responsibility for some obligations. The assignee shall be bound, and in Utility's discretion must agree in writing to be bound, by all terms of Rule 9 and the assigned Rule 9 Agreement, including but not limited to the obligation for payment of Invoices, Reduction of Service and Termination Charges, and any other Total Costs which are applicable to the Project.

c. Right to Receive Refunds. Such assignment shall apply only to those Refunds that become due more than thirty (30) days after the date of receipt by Utility of the notice of assignment. All refunds that become due prior to and including thirty (30) days after the date of receipt by Utility of the notice of assignment shall be made by Utility to the assignor.

A.20. Multiple Agreements

Should an Applicant enter into more than one Rule 9 Agreement with Utility for the same Project, then Applicant shall be considered a separate and distinct Applicant in each such Rule 9 Agreement.

A.21. Projects of Temporary Duration

a. No Allowance. Utility shall provide no Allowance if it is determined by Utility that the requested Temporary Service (see Rule 1) has an expected service life of eighteen (18) months or less.

b. Total Cost Responsibility. Applicant's Total Costs shall be adjusted to include removal Total Costs and salvage credits where applicable.

c. Required Advances. For all projects of temporary duration, prior to initiating service, Utility shall require Applicant to advance the estimated Total Costs which include costs and salvage associated with the removal of the facilities.

d. Bill Payments.

1. For a project of temporary duration of less than sixty (60) days, prior to initiating service Utility may require Applicant to advance the estimated Utility energy bill for sixty (60) days subject to adjustment to final bill for service (by Invoice or Refund).

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.21. Projects of Temporary Duration (Continued)

d. Bill Payments. (Continued)

2. For a project of temporary duration of greater than sixty (60) days, prior to initiating service Utility shall require Applicant to establish Satisfactory Credit in the manner prescribed in Rule 12, depending on the size and duration of the Project.

e. Conversion to Allowance Eligibility. If Applicant's Project requires service for more than eighteen (18) months, at Applicant's request, Utility may apply an Allowance consistent with Section A.22 (Allowances for Projects of Short Duration).

A.22. Allowances for Projects of Short Duration

a. Allowance Calculation. Where Applicant's Project is determined by Utility to be fifteen (15) years or less, any eligible Upfront Allowance and Maximum Allowance will be reduced to an amount equal to the result of the following expression.

$$\text{Allowance} \quad * \quad \left(\frac{1-[1/(1.1^{(n-1)})]}{1-[1/(1.1^{(d-1)})]} \right)$$

Where:
n = the number of years the Project is projected to be in service, and

d = the book life for distribution assets.

This formula may be adjusted as necessary where the book life changes or is reduced through the provisions of a Rule 9 Agreement. See Attachment 5 (Allowances for Projects of Short Duration) for a table of the calculated values derived from this formula.

b. Total Cost Responsibility. Applicant shall pay all Total Costs associated with providing Service to Applicant's Project of Short Duration including but not limited to Total Costs for electric facilities required by or associated with Applicant's Project of Short Duration, removals (less credit to Applicant for salvage value), Reduction of Service or Termination Charges (see A.34, definitions), site-restoration, stranded substation, HVD and Distribution Feeder capacity, and/or other Stranded Investments (see A.34, definitions). Security Requirements may be established when appropriate.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.23. Service to Large Projects

a. Requirements for Large Project Line Extension. For all Large Projects, Utility shall require a Large Project Line Extension Agreement establishing:

1. Allowance and Total Cost True-ups as specified in Section A.31 (True Ups); and

2. Applicant's responsibility for the Payment of Reduction of Service or Termination Charges in accordance with Section A.25 (Reduction of Service or Termination Charges); and

3. that applicable Security Requirements may be set at the time the Agreement is executed and may be increased or reduced to reflect changes in circumstances during the term of the Agreement to ensure Applicant's payment of any balance due resulting from True-ups and/or RSTC. Changes in circumstances include:

   (a) after the initial allowance True-up has been completed, as specified in Section A.31 (True-Ups), the Applicant's Project has current Demand that is 50% less than the EPD; or

   (b) Applicant has met or does not meet the criteria for establishing or maintaining Satisfactory Credit; and

   (c) Annual review of the remaining investment to be secured results in a change in security.

4. a load schedule with Project's Estimated Full Build-out Peak Load and major milestones towards such.

A.24. Abnormal Risk Projects

a. Determining Abnormal Risk. When Utility has a reasonable basis at the time the Agreement is executed for concluding that the circumstances particular to Applicant or Applicant's Project would subject (or is subjecting) Utility to Abnormal Risk (See Rule 1) for recovery of its investment for facilities required by, supporting or associated with Applicant's Project, Utility may designate the Project an "Abnormal Risk Project."

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.24. Abnormal Risk Projects (Continued)

b. Requirements of Abnormal Risk Projects. Utility shall require Applicant to enter into a Rule 9 Agreement with Utility establishing:

1. Allowance and Total Cost True-ups as specified in Section A.31 (True-ups); and

2. Applicant's responsibility for the Payment of RSTC in accordance with Section A.25 Reduction of Service or Termination Charges); and

3. that applicable Security Requirements may be set at the time of the Agreement is executed and may be increased or reduced to reflect changes in circumstances during the term of the Agreement to ensure Applicant's payment of any balance due resulting from True-ups and/or RSTC. Changes in circumstances include:

   (a) after the initial Allowance True-Up has been completed, as specified in Section A.31 (True-Ups), the Applicant's Project has current Demand that is 50% less than the EPD; or

   (b) Applicant has met or does not meet the criteria for establishing or maintaining Satisfactory Credit; or

   (c) a change in Utility's assessment of Applicant's or Project's Risk Profile; or

   (d) Annual review of the remaining investment to be secured, results in a change in security.

4. a load schedule with Project's Estimated Full Build-out Peak Load and major milestones towards such.

c. Allowance for Abnormal Risk Projects. For Abnormal Risk Projects, Applicant shall not receive Upfront Allowances unless covered by Security. If the full Allowance is not granted up front, any eligible Refunds shall be prorated equally over the remaining years in the Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.24. Abnormal Risk Projects (Continued)

d. Additional Risk Mitigation Measures. Such Agreements may include additional risk mitigation provisions that can be applied at execution or during the term of the Agreement, based on Utility's assessment of Applicant's Risk Profile including but not limited to: a Surcharge to enable accelerated depreciation of Utility's investment; and other measures intended to insulate existing customers and Utility from any unrecovered Utility investment in the Project.

A.25. Reduction of Service or Termination Charges (RSTC)

a. Applicability. Every Rule 9 Agreement for Abnormal Risk Projects, Large Projects and Substation and HVD Projects under Section B.2 shall include a Reduction of Service or Termination Charge ("RSTC") provision.

b. Overview of RSTC. The RSTC shall ensure recovery by Utility at the time of Termination of Service or Reduction of Service of the net present value of all Total Costs of ownership and operation of all remaining Utility investment in Project facilities less any supportable revenues received or identified at the time of Reduction of Service or Termination of Service.

c. Calculation. The RSTC shall be calculated using the methods, supportable revenues and Total Costs as specified below.

1. Total Costs. To be recovered are all Total Costs associated with the return of and return on the investment in the asset, applicable taxes and operating and maintenance costs.

2. Supportable Revenues. Supportable revenues include:
   (a) payments for Total Cost or Allowance True-ups; and
   (b) return of granted Allowances and/or Refunds; and
   (c) Credits for Proportionate Share; and
   (d) any other amounts received from the Applicant designed to recover Total Costs of the asset.

3. Excluded Costs. Total Costs do not include:

   (a) return on the asset after the time of Termination of Service; and

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.25. Reduction of Service or Termination Charges (RSTC) (Continued)

3. Excluded Costs. Total Costs do not include: (Continued)

(b) where the Line Extension Agreement provides recovery of the estimated removal Total Costs there shall be no property tax or operations and maintenance Total Costs after the time of Termination of Service.

4. Removal Costs. Where Utility is required to remove installed facilities, any unpaid Total Costs for removal and/or salvage value will be used to adjust the termination obligation.

5. Discount Rate. Utility's weighted cost of capital at the time of the execution of the Rule 9 Agreement shall be used as the discount rate for the net present value calculation.

d. Past Obligations. Payment of the RSTC does not relieve the Applicant of the duty of making all payments that are past due, prior to the date the RSTC occurs.

e. Security. To secure payment of any potential RSTC and for the recovery of all other Total Costs or investments for Applicant's Project, Utility may establish or alter Security Requirements for Applicant or Project. Any security required under this Rule will be reviewed annually. An example calculation of the RSTC calculation that drives the security requirement will be attached to the Rule 9 Agreement as an exhibit.

A.26. Payment Alternatives

a. Alternative Payment Arrangement. At the request of Applicant, Utility may offer the option of an alternative payment arrangement for payment of required Advances.

b. Agreements. Agreements for such alternatives shall provide for:

1. Utility's recovery of all Total Costs associated with Utility's electric facilities attributed to the request of Applicant; and

2. specification of how Total Costs are to be recovered through a fee payment schedule in addition to otherwise applicable Rate Schedule charges; and

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. **General Information** (Continued)

A.26. Payment Alternatives

b. Agreements. (Continued)

3. the term of the Agreement; and
4. Billing Period and payment due at each Billing Period; and
5. payment of interest for any delay beyond the prescribed sixty-day deadline to pay Invoices; and
6. termination charges; and
7. Applicable administration fees; and
8. Security Requirements.

A.27. Termination of Project

A Project may be terminated by Utility or Applicant upon mutual agreement or under circumstances identified below.

a. Cost Responsibility. If a Project terminates, Applicant is responsible for Total Costs associated with that Project, as required by this Rule. Any applicable Refund will be determined pursuant to Subsection A.32.d.

b. Applicant Right to Terminate. With prior written notice to Utility, Applicant may terminate the Project.

c. Utility Right to Terminate. With prior written notice to Applicant, Utility may terminate the Rule 9 Agreement and, in the case of MPC Projects, terminate the MPC Addendum and revise the MPC Umbrella Agreement to reflect the appropriate modification in EPD and EFBPL, if:

1. Breach of Rule 9 Agreement. Applicant breaches, as determined by the Commission, a court of competent jurisdiction or an alternative finder of fact such as a mediator or arbitrator, a Rule 9 Agreement and Applicant thereafter fails to cure the breach as provided for in the Agreement; or

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.27. Termination of Project (Continued)

c. Utility Right to Terminate. (Continued)

2. Failure to Complete Construction Required Under Section A.12. Applicant and Utility signed a Rule 9 Agreement for construction of a Project requiring reservation of capacity and Applicant has not completed physical construction of 50% of the facilities Applicant is required to construct under Section A.12 within thirty (30) months of the Agreement execution date, and with respect to MPC Projects, within thirty (30) months of the effective date of the MPC Addendum that governs construction of a feeder; Utility shall first provide written notice to the Applicant and either meets and confer with Applicant to determine the status of Applicant's project and the likelihood that Applicant's project will not proceed to construction or document that it made Commercially Reasonable efforts to contact the Applicant and was unable to do so; or

3. Cessation of Construction. In the event that Applicant meets the threshold in Subsection A.27.c.2 above, but thereafter ceases construction of the facilities Applicant is required to construct under Section A.12 for a period of six (6) months or more, and twelve (12) months with respect to a feeder under a MPC Addendum, after Utility provides written notice to the Applicant and either meets and confers with Applicant to determine the status of Applicant's project and the likelihood that Applicant's project will not proceed to construction or documents that it made Commercially Reasonable efforts to contact the Applicant and was unable to do so; or

4. an event or condition occurs that is beyond Applicant's or Utility's control, is not caused by Applicant's or Utility's negligence and renders Project performance impossible or impractical as determined by Utility in consultation with the Applicant.

A.28. Disputes and Deviations from Rule 9

a. Disputes.

1. Meet and Confer. Within ten (10) business days of a written request by either Applicant or Utility notifying the other party of an issue in dispute over an unexpired Rule 9 Agreement, both parties shall meet and confer in good faith in an effort to resolve the dispute.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued) (D, N)

A. **General Information** (Continued)

A.28. Disputes and Deviations from Rule 9

a. Disputes. (Continued)

2. Dispute Regarding Rule 9 Agreement. Where the interpretation or application of an executed Rule 9 Agreement is disputed, Utility or Applicant may submit a request to the Commission requesting appropriate relief.

3. Dispute Regarding Application or Interpretation of Rule 9. Where the application or interpretation of the provisions of this Rule 9 are disputed or may be impractical, inequitable or otherwise inappropriate, Utility or Applicant may submit a request to the Commission, requesting appropriate relief or interpretation of the Rule.

b. Deviations.

1. Submission to Commission. Utility and/or Applicant may submit a request to the Commission to review and approve a special Rule 9 Agreement that includes deviations from the provisions of this Rule.

2. Utility's Applied Practices. Deviations are distinct and different from Utility's applied practices and administration of Rule 9 that are consistent with, but not directly specified in Rule 9.

A.29. Alternate Point of Delivery

a. Point of Delivery. The Point of Delivery (See Rule 1) will be determined by Utility. Upon inspection and written acceptance by Utility, all of the facilities installed on Utility's side of the Point of Delivery shall be and remain the sole property of Utility.

b. Identification of Potential Alternate Point of Delivery. Notwithstanding Section A.29.a (Point of Delivery), at the request of Applicant, Utility and Applicant may specifically identify, by township and range and the provision of maps, those facilities on Utility's side of Utility specified Point of Delivery:

1. that are not likely to be used to serve other Customers; and

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.29. Alternate Point of Delivery (Continued)

b. Identification of Potential Alternate Point of Delivery. (Continued)

2. ownership of which by Applicant will not compromise Utility's continuing obligation to serve other Customers; and

3. that Applicant has an interest in owning.

c. Designation of an Alternate Point of Delivery. Upon identification of such facilities, pursuant to Section A.29.b (Identification of Potential Alternate Point of Delivery), Utility may designate an Alternate Point of Delivery, including Utility approval of the distance from the Alternate Point of Delivery to original Utility specified Point of Delivery. If the Alternate Point of Delivery is not acceptable to Applicant, the Point of Delivery designated by Utility shall be used.

d. Rule 9 Agreement for an Alternate Point of Delivery. If an Alternate Point of Delivery is agreed upon, Utility and Applicant will enter into a Rule 9 Agreement prior to commencement of construction, documenting the above designations, that shall include the following provisions:

1. Total Costs and Tax Gross-up Responsibility.

(a) All Total Costs and tax consequences resulting from Applicant's decision to accept an alternate Point of Delivery and/or conveyance of facilities will be borne by Applicant; and

(b) Should the IRS determine that any portion of the alternative ownership is a taxable event for Utility, Applicant shall pay to Utility, within thirty (30) days of a request for such payment, the Tax Gross-up in accordance with Section A.18 (Taxability of Advances for Line Extensions) based on the value (as reasonably determined by Utility) of the portion of the facility that the IRS determined created the taxable event plus any penalties that may be assessed by the IRS.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.29. Alternate Point of Delivery (Continued)

d. Rule 9 Agreement for an Alternate Point of Delivery. (Continued)

2. Conveyance of Facilities. Applicant shall, as promptly as reasonably practicable, convey to Utility any of the necessary facilities owned by Applicant as a result of the Alternate Point of Delivery in the event that Utility later determines that any portion of these facilities will be used to provide service to other Customers or for system reliability. Such conveyance shall be without expense to Utility, except for eligible Allowance, because Applicant is contributing required property and Tax Gross-up that it otherwise would have had to contribute if Utility had not agreed to an Alternate Point of Delivery.

3. Security. When an Alternate Point of Delivery is designated, Utility may establish or alter Security Requirements for a potential conveyance of facilities and require Applicant's obligations to document and record against the affected real property.

4. Restricted Use. Unless the Commission otherwise allows, facilities owned by Applicant as a result of the Alternate Point of Delivery will be restricted solely to the use of the Applicant named in the Rule 9 Agreement.

5. Applicant Responsibility. Applicant shall be responsible for obtaining all permits and property rights necessary for the installation of facilities owned by Applicant.

6. Design and Construction According to Utility Standards. Facilities that will be owned by Applicant as a result of the Alternate Point of Delivery will be designed and constructed in accordance with Utility's Standards and applicable federal, state and local laws and regulations and consistent with this Rule.

A.30. Updating Rule 9 Allowances and Refunds

The following shall be updated by Utility in each General Rate Case or by Advice Letter Filing no less than every three (3) years:

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.30. Updating Rule 9 Allowances and Refunds (Continued)

a. Allowances provided pursuant to Section B.3 (Allowances) and Attachment 3 (Allowances for Line Extensions other than Master Planned Communities); and

b. Refunds to Master Planned Communities provided pursuant to Section C.6 (Master Planned Community Refunding of Advances) and Attachment 4 (Refunds for Master Planned Communities); and

c. Refunds of Proportionate Share Allocations provided pursuant to Section A.16 (Proportionate Share Allocations) and Attachment 1 (Proportionate Share Allocations per Unit).

A.31. True-ups

a. True-up of Standard Projects.

1. Allowance True-up. Where Utility has not granted the Maximum Allowance at the time of the execution of the Rule 9 Agreement, then the following provisions shall apply.

(a) Initial Allowance True-up. Utility shall conduct an initial Allowance True-up according to the True-up timeline in A.31.e.

(b) Subsequent Allowance True-ups. Subsequent to the initial Allowance True-up, Applicant may request that Utility further True-up the Standard Project, once each twelve- month period until the Rule 9 Agreement terminates. The Allowance True-up Support and Refunds/Invoices shall be provided within four (4) months of the Applicant's request.

(c) One Way Refunds. Refunds for both the initial and any subsequent Standard Project Allowance True-ups are "one-way", meaning they can result in a Refund to Applicant but not result in an Invoice to Applicant.

2. Total Cost True-up.

(a) Standard Projects are not subject to a Total Cost True-up, except for CIAC Total Cost True-ups and the Tax Gross (N)
up rate applicable to the CIAC. (N)

(b) CIAC Total Cost True-up will only occur if the estimate of the Project CIAC exceeds $40,000.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. **General Information** (Continued)

A.31. **True-ups** (Continued)

a. True-up of Standard Projects. (Continued)

2. Total Cost True-up. (Continued)

(c) Where the estimate of the Project CIAC exceeds $40,000, Utility shall conduct a CIAC Total Cost True-up according to the True-up timeline in A.31.e.

(d) There will be no subsequent CIAC Total Cost True-up.

b. True-up of Large Projects.

1. True-up Timeline. Utility shall perform a Total Cost True-up and the initial Allowance True-up according to the True-Up timeline in A.31.e.

2. Allowance True-up.

(a) Allowance True-up of a Large Project is "two-way", meaning it can result in an Invoice and/or Refund.

(b) For Large Projects, a subsequent Allowance True-up shall be performed based on the second twelve (12) months of load data after Construction Complete and the Allowance True-up Support and Refunds and/or Invoices shall be provided to the Applicant no later than twenty-eight (28) months following Construction Complete.

(c) Applicant may request a Subsequent Allowance True-up every twelve (12) months until the Rule 9 Agreement terminates. The Allowance True-up Support and Refunds/Invoices shall be provided within four (4) months of the Applicant's request.

3. Total Cost-True-up.

(a) All Total Costs, including CIACs of any amount, are trued up.

(b) There will be no subsequent Total Cost True-up unless Utility did not have all Project Total Cost information when it performed the first Total Cost True-up.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.31. True-ups (Continued)

c. True-up of Substation and HVD Projects.

1. Allowance True-ups. Substation and HVD Allowances shall be trued-up according to the True-up timeline in Subsection A.31.e, except as mutually agreed upon by Applicant and Utility, and annually thereafter at the request of Applicant or Utility.

(a) Allowance True-up of a Substation or HVD Project is "two-way", meaning it can result in an Invoice and/or Refund.

(b) Applicant may request a subsequent Allowance True-up every twelve (12) months until the Rule 9 Agreement terminates. The Allowance True-up Support and Refunds/Invoices shall be provided within four (4) months of the Applicant's request.

2. Total Cost-True-up. Substation and HVD Total Costs shall be trued up according to the True-up timeline in A.31.e, except as mutually agreed upon by Applicant and Utility.

d. True-up of Relocation and Removal Projects:

1. True-up Timeline. The initial Allowance True-up, if the Project qualifies for it, and Total Cost True-up will both be performed according to the True-up timeline in A.31.e. No Subsequent True-ups will be conducted on Relocation and Removal Projects.

2. Allowance True-up.

(a) Eligibility for Allowance True-up. A Relocation and Removal Project is eligible to receive an Allowance True- up only if it is determined at the time of contract that the project will result in an increase in Demand or Units.

(b) Allowance True-up of a Relocation and Removal Project is "two-way", meaning it can result in an Invoice and/or Refund.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.31. True-ups (Continued)

d. True-up of Relocation and Removal Projects: (Continued)

3. Total Cost True-up.

(a) All Total Costs are trued up.

(b) There will be no subsequent Total Cost True-up unless Utility did not have all Project Total Cost information when it performed the first Total Cost True-up.

e. Pertaining to all True-ups.

1. True-up Support. The True-Up Support (Allowance True-up Support, Total Cost True-up Support and CIAC Total Cost True- up Support) and Refunds and/or Invoices shall be provided to the Applicant no later than sixteen (16) months following Construction Complete. Utility will notify the Applicant of any delay in providing such Support package.

2. Initial Allowance True-ups. All initial Allowance True-ups shall be based on actual load data for the first twelve (12) months after Construction Complete.

3. Total Cost True-ups. If there are Total Costs that will not be finalized or known until after the 12-month True-up period, including but not limited to third-party vendor invoices and Total Costs for obtaining rights of way, Utility will list those Total Cost items as part of the Total Cost True-up and provide an estimate of those costs based on the information available to Utility at the time. Utility will Invoice or Refund Applicant separately as Total Costs are received.

f. True-up of MPC Projects. MPC Projects are not subject to a Total Cost True-up, except for a true-up of the Tax Gross-up rate pursuant to Attachment 2. (N)
|
(N)

A.32. Refunds

a. Limitations on Refunds.

1. Refunds shall be made when warranted by True-ups.

2. Allowance, MPC and Proportionate Share Refunds:

(a) are limited to the remaining balance of the Advance Subject to Potential Refund, and

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.32. Refunds (Continued)

a. Limitations on Refunds: (Continued)

2. Allowance, MPC and Proportionate Share Refunds: Continued

   (b) reduce the remaining balance of the Advance Subject to Potential Refund.

3. The Refund amounts resulting from a Project's (a) Allowance True-ups, (b) MPC Refund True-ups, and/or (c) Proportionate Share Refunds may be insufficient to refund the Project's entire remaining balance of the Advance Subject to Potential Refund.

4. No True-ups or Refunds shall be made for additional loads or additional units that occur after the expiration of the Rule 9 Agreement.

5. No Cost True-up Refund shall be issued until all construction Total Costs are final, subject to the discretion of Utility to issue such a Refund sooner.

6. Refunds shall only be paid for permanent structures.

7. Refunds for Abnormal Risk Projects are subject to Subsection (N)
   A.24.c. (N)

b. Refund Timeline.

1. Eligible Refund. After a Total Cost, Allowance or MPC Refund True-up, Utility shall Refund to Applicant, if Applicant is eligible for a Refund resulting from the True-up, any applicable remaining balance of the Advance Subject to Potential Refund for the corresponding Project which qualifies for Refund based on the True-up.

2. Timeline. Any eligible initial Allowance or Total Cost Refund will be sent to Applicant within sixteen (16) months of Construction Complete, except as mutually agreed upon by Applicant and Utility. When any subsequent Allowance True-up is requested in writing by Applicant, any eligible Refund will be sent to Applicant within ninety (90) days of the written request.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.32. Refunds (Continued)

b. Refund Timeline. (Continued)

3. CIAC Total Cost True-up. For a Project which requires a CIAC Total Cost True-up and the CIAC Final Total Cost is less than Applicant's CIAC Advance by more than $1,000, Utility shall send Applicant within sixteen (16) months of Construction Complete a Refund for such difference along with an explanation of what caused Applicant's CIAC Advance to exceed the CIAC Final Total Cost.

4. Proportionate Share Allocation. Proportionate Share Allocation Refunds shall be sent to the previous Applicant within sixty (60) days after the subsequent Applicant connects to the previous Applicant's facilities.

5. MPC Refunds. MPC Refunds for Distribution Feeders earned each year shall be paid within four (4) months of the annual anniversary date of the MPC Umbrella Agreement concurrent with any Refund paid pursuant to Subsection C.6.a (Refunds for MPC Substations and MPC HVD).

c. Administration of Refunds.

1. Tax-Gross-Up. Utility will refund a pro rata share of the Tax Gross-up applicable to any Refunds made to Applicant.

2. Joint Advance Subject to Potential Refund. In those cases where two or more Applicants submit an Advance for the same Rule 9 Agreement, Utility shall distribute refundable amounts to such parties in the same proportion as their individual Advances bear to the joint total Advance, unless otherwise directed in writing by all Applicants.

3. Accumulation of Small Refunds. Notwithstanding anything to the contrary, Refunds due to Applicant may be accumulated to a sum of fifty dollars by Utility prior to making a Refund payment to Applicant. Any eligible remaining balance shall be paid to Applicant at the expiration of the Rule 9 Agreement.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.32. Refunds (Continued)

c. Administration of Refunds. (Continued)

4. Information Required. Utility is not obligated to provide any Refund for any Project until Applicant has provided the addresses for all units to be served pursuant to the Rule 9 Agreement.

5. MPC Refunds. MPC Refunds shall be provided pursuant to Section C.6.

(a) A CIAC paid by Applicant pursuant to Subsection A.7.a.6 shall not be subject to Refund.

(b) Refunds shall reduce the distribution feeder Advance Subject to Refund balance by the amount, not including the Tax Gross-up pursuant to Section A.18 (Taxability of Advances for Line Extensions), which is refunded pursuant to Subsection A.32.c.1. (Administration of Refunds). (T)

d. Accounting for Projects That Are Terminated or Expire Without Reaching Construction Complete.

1. Accounting for Terminated Project. If a Project is terminated pursuant to Section A.27 by either Applicant or Utility, Utility will perform an accounting pursuant to Subsection A.32.d.3.

2. Accounting for Expired Contract. If a Project has not reached Construction Complete and the term of the Rule 9 Agreement for that Project has expired, upon receiving the written request of Applicant, Utility will perform an accounting pursuant to Subsection A.32.d.3 . Such written request must be received by Utility within ninety (90) days of the expiration of the Rule 9 Agreement.

3. Accounting and Refund or Invoice.

(a) Standard Projects. For Standard Projects, Utility will provide an accounting triggered by Subsections A.32.d.1 or A.32.d.2 to Applicant of unspent and uncommitted funds and a Refund or Invoice based on the accounting within ninety (90) days after:

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.32. Refunds (Continued)

d. Accounting for Projects That Are Terminated or Expire Without Reaching Construction Complete. (Continued)

3. Accounting and Refund or Invoice. (Continued)

(1) the termination of the Project if the Project is terminated pursuant to Section A.27; or

(2) receipt of Applicant's written request for accounting if the written request is received pursuant to Subsection A.32.d.2.

(b) Other Projects. For other Projects, Utility will provide an accounting triggered by Subsections A.32.d.1 or A.32.d.2 to Applicant of unspent and uncommitted funds and a Refund or Invoice based on the accounting within one- hundred eighty (180) days after:

(1) the termination of the Project if the Project is terminated pursuant to Section A.27; or

(2) receipt of Applicant's written request for accounting if the written request is received pursuant to Subsection A.32.d.2.

(c) Projects Subject to RSTC. Projects subject to Reduction of Service and Termination Charges are excluded from this provision and follow the appropriate provisions of Section A.25 of this Rule 9.

A.33. Invoices

a. Invoice Timeline.

1. Invoice for Allowance or Total Cost True-up. If the results of a True-up require payment by Applicant to Utility, an Invoice ("Invoice") will be sent to Applicant within sixteen (16) months of Construction Complete, except as mutually agreed upon by Applicant and Utility.

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(D, N)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.33. Invoices: (Continued)

a. Invoice Timeline. (Continued)

2. CIAC Total Cost True-up. For a Project which requires a CIAC Total Cost True-up and the CIAC Final Total Cost is more than Applicant's CIAC Advance by more than $1,000, Utility shall send Applicant within sixteen (16) months of Construction Complete an Invoice for such difference along with an explanation of what caused the CIAC Final Total Cost to exceed Applicant's CIAC Advance.

3. Applicant Payment. Applicant shall pay Utility within sixty (60) days of receiving an Invoice.

b. Failure of Timely Payment. Notwithstanding any other provision in this Rule, if an Applicant fails to pay any Invoice within the required timeframe, then Utility may require the provision of Security.

c. Offset. Notwithstanding any other provision in this Rule, Utility may offset any sum or obligation in connection with the Project owed by Utility to Applicant against any sum or obligation in connection with the Project owed by Applicant to Utility.

A.34. Rule 9 Definitions

a. Definition Groups. Following are groups of related Rule 9 Definitions with common or interrelated themes and should be read within their mutual contexts.

Advance:

Advance
Advance Subject to Potential Refund
Contribution in Aid of Construction (CIAC)
Tax Gross-Up

Agreements:

Abnormal Risk Agreement
Design Initiation Agreement
Large Project Line Extension Agreement
MPC Addendum
MPC Umbrella Agreement

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

Agreements: (Continued)

Relocation and Removal Agreement
Standard Line Extension Agreement
Substation and HVD Agreement
Rule 9 Agreements (encompassing all of the above)

Allowance and Refunds:

Actual Peak Demand or Units (APD)
Allowance
Allowance True-up
Estimated Peak Demand or Units (EPD)
Maximum Allowance
Refund
Revenue-Based Allowance
Tax Gross-Up
Up-front Allowance

Peak Demands:

Actual Peak Demand or Units (APD)
Demand
Estimated Full Build-out Project Load (EFBPL)
Estimated Peak Demand or Units (EPD)
Maximum Demand
Peak Demand

Project:

Abnormal Risk Project
Large Project
Master Planned Community Project or MPC Project
Phased Projects
Project
Relocation and Removal Project
Standard Project
Substation and HVD Project

Property:

Prior Right
Property
Property Rights

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. **General Information** (Continued)

A.34. Rule 9 Definitions : (Continued)

Proportionate Share:

Proportionate Share
Proportionate Share Allocation
Proportionate Share Refund

Risk:

Abnormal Risk
Abnormal Risk Agreement
Letter of Credit
Risk Profile
Satisfactory Credit
Security
Security Requirements
Stranded Investment
Surcharge
Unsecured Credit

Total Costs:

Final Total Costs
Estimated Total Costs
Total Costs
Total Cost True-up

True-ups:

Actual Peak Demand or Units (APD)
Allowance True-up
Estimated Total Costs
Estimated Peak Demand or Units (EPD)
Final Total Costs
Total Cost True-up

Wires and Connections:

Alternate Point of Delivery
Contingent Facilities
Distribution Lines
Distribution Feeder
High Voltage Distribution (HVD)" or "HVD Feeder
Line Extension
Point of Delivery

(Continued)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

b. Acronyms. The following Acronyms are used throughout the Rule:

1. APD: Actual Peak Demand or Units
2. CIAC: Contribution in Aid of Construction
3. DIA: Design Initiation Agreement
4. EFBPL: Estimated Full Build-out Project Load
5. EPD: Estimated Peak Demand or Units
6. HVD: High Voltage Distribution
7. LGE: Local Government Entity
8. MPC: Master Planned Community
9. RSTC: Reduction of Service or Termination Charge

c. Definitions. For the purpose of this Rule, the terms and expressions listed below shall have the meanings set forth herein. Rule 1 has further Definitions that are used in Rule 9.

"Abnormal Risk" is defined in Rule 1.

"Abnormal Risk Agreement" is a Rule 9 Agreement for an Abnormal Risk Project (see Section A.24 Abnormal Risk Projects).

"Abnormal Risk Project" is a Project deemed Abnormal Risk pursuant to Rule 1.

"Actual Peak Demand or Units" ("APD") is the maximum demand (kVa) or installed units measured at the time of Allowance True-up (see Section A.31 True-ups) of Applicant's Line Extension.

"Advance" under this Rule is the amount that Applicant submits to Utility at the time of execution of the Agreement to fund the Project. The Advance has three components: (1) Contribution in Aid of Construction ("CIAC"); (2) Advance Subject to Potential Refund; and (3) Tax Gross-up (see Section A.17 Advance).

"Advance Subject to Potential Refund" is that portion of the Advance that may be refunded to Applicant when specified conditions are met. The Advance Subject to Potential Refund at the time of the execution of the Rule 9 Agreement is the Project's Total Cost minus any CIAC and/or Up-front Allowance. The balance of the Advance Subject to Potential Refund is adjusted to the extent Refunds or Invoices are issued as a result of True-ups and as Proportionate Share Refunds are administered.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Affiliate" means a business organization or nongovernmental legal entity that (1) is under common control with Applicant, (2) has an ownership interest in all or part of Applicant or Applicant's project, and/or (3) is the successor-in-interest of Applicant or of all or a portion of Applicant's project.

"Allowance" is a general term that can refer to either the Up-front Allowance, the Maximum Allowance or Allowance through Refund. It is a credit provided to Applicant and is applied to Applicant's required Advance of Total Costs of the Project, in the form of either an Up-front Allowance or an Allowance through Refund (up to the amount of the Maximum Allowance). An Allowance cannot be applied to a CIAC.

"Allowance True-up" means the determination of the Actual Peak Demand or Units served and the re-calculation of the Allowance justified based on the Actual Peak Demand or Units served as provided in Section A.31 (True-ups).

"Allowance True-up Support" means the data that supports or verifies the Actual Peak Demand or Units served and the work papers that are the basis for the Allowance True-up calculation including the difference between the EPD and APD and the effect of the difference on the Allowance and the Refunds, with confidential information redacted.

"Alteration of Existing Facilities" means the modification, rearrangement, relocation, or removal of any of Utility's existing facilities for any purpose.

"Alternate Point of Delivery" has the meaning ascribed to it in Section A.29 (Alternate Point of Delivery).

"Applicant" is defined in Rule 1.

"Billing Period" is defined in Rule 1.

"Bonus Depreciation" is an additional tax depreciation allowance equal to a set percentage of the adjusted basis of eligible qualified property placed in service during specified qualifying periods, pursuant to federal statute and implementing Internal Revenue Service regulations. (N)

"CIAC Total Cost True-up Support" includes, for those costs that are a CIAC, itemization of labor costs, itemization of the cost of stock materials, vendor invoices for non-inventory materials purchased for the Project, but with information Utility is required to keep confidential redacted, itemization of any other CIAC costs, work papers, verification and calculation of all Utility project overheads, and other information used to complete the CIAC Total Cost True-up, with confidential information redacted. Applicant may review other non- confidential documentation related to the project costs at Utility's office during Utility's regular business hours but must provide a written request at least one- week in advance.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Commercially Reasonable Efforts" means that, with respect to a given goal, the efforts that a reasonable Person in the position of Applicant or Utility would use so as to achieve that goal as expeditiously as possible but does not mean that either Applicant or Utility must take any actions that would cause it to incur an expense or suffer any other detriment out of reasonable proportion to the benefits to Applicant or Utility in connection with the Project.

"Commission" is defined in Rule 1.

"Construction Complete" means the date that Utility completes all construction-related work for the Project in accordance with the Rule 9 Agreement. Construction Complete is used to establish the timing of True-ups, although its application is not limited to True-ups. Service wires are not required to be installed at Construction Complete. (see Section A.31 True-ups).

"Contingent Facilities" means electric facilities that are anticipated to be installed for a different Applicant and the installation of which is assumed in the binding design and cost estimate of Applicant's Project.

"Contribution in Aid of Construction" ("CIAC") is defined in Rule 1.

"Customer" is defined in Rule 1.

"Demand" is defined in Rule 1.

"Deposit" is defined in Rule 1.

"Developer Contracts Administration Program" ("DCA Program") is defined in Subsection A.14.c.

"DCA Contractor" is defined in Subsection A.14.c.3.

"Design Initiation Agreement" ("DIA") is a Rule 9 Agreement for design of a Project (see Section A.2 Engineering, Design & Inspection).

"Distribution Feeder" means, generally, any of the following types of facilities:

(1) 3-1/0 underground primary cable that is installed in excess of five hundred (500) feet from the service connection point of the Applicant's project site; or

(2) 3-1000 MCM underground primary cable at any length, which may include a switch fuse cabinet, capacitor bank and/or manholes; or

(3) 3-Phase overhead primary conductor at any length, which may include the replacement or installation of new wood or steel poles, but excludes secondary cable.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Distribution Lines" is defined in Rule 1.

"Estimated Full Build-out Project Load" ("EFBPL") is the estimated peak demand – at the time of design or execution of the Agreement, or as periodically updated – represented by the total ultimate build-out load (kVa) of all anticipated phases of a development on Applicant's site or Applicant's adjacent sites (see Section A.3 Minimum Requirements). Applicant, and not Utility, shall be responsible for the EFBPL

"Estimated Peak Demand or Units" ("EPD") is an estimate, made at the time of the execution of the Rule 9 Agreement, of Applicant's development's (1) Maximum Demand (kVa) or (2) number of Units to be constructed during the term of the Rule 9 Agreement.

"Estimated Total Costs" means those Total Costs, including CIACs, estimated in the design phase and applied at the time of the execution of the Rule 9 Agreement.

"Final Total Costs" means Total Costs, including CIACs, that Utility audited and adjusted accordingly at the time of True-up after all Total Costs have been finalized.

"Franchisor" means a local Governmental Entity ("LGE") authorized to issue a franchise pursuant to NRS Chapter 268 and Chapter NRS 709 specifically.

"Governmental Entity" has the meaning given in Rule 1.

"**High Voltage Distribution" ("HVD"**) or **"HVD Feeder"** refers to electric line facilities that are typically above 35 kV but provide a distribution function or establish an interconnection between Utility's electric system and a distribution substation or a customer's load while providing a distribution function.

"Large Project" is a Line Extension (excluding residential subdivisions with structures less than five stories) with (1) new capacity of 1 MW or more, as determined by Utility or (2) estimated Line Extension construction Total Costs exceeding $400,000 to a single customer (see Section A.23 Service to Large Projects).

"Large Project Line Extension Agreement" is a Rule 9 Agreement for a Line Extension for a Large Project (see Section A.23 Service to Large Projects and "Projects" in Definitions A.34).

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Letter of Credit" means a document that a bank or other financial institution issues to a seller of goods or services that guarantees a buyer's payment to the seller will be on time and for the correct amount. When the buyer is unable to make payment, the issuer of the Letter of Credit has the obligation to cover the unpaid amount. Utility requires Letters of Credit from financial institutions rated A or above by at least one of the ratings agencies Standard and Poor's or Moody's.

"Line Extension" is defined in Rule 1.

"Master Planned Community" ("MPC") has the meaning given in Section C.2 (Definition of MPC).

"Master Planned Community Addendum" or "MPC Addendum" is an addition to, and part of, a MPC Umbrella Agreement. Specific Distribution Feeders and related facilities that are contemplated in a MPC Umbrella Agreement will be installed, altered, relocated or removed pursuant to the MPC Addendum, however, it excludes facilities that will be installed, altered, relocated or removed pursuant to a Line Extension Agreement or an S/HVD Agreement. Utility will provide Refunds, if any, to a MPC Applicant through the MPC Umbrella Agreement of which the MPC Addendum is a part, not through a MPC Addendum, however, the Refund level shall be as provided for in the MPC Addendum.

"Master Planned Community Project" or "MPC Project" is a Line Extension, substation and/or HVD constructed to serve a Master Planned Community.

"Master Planned Community Umbrella Agreement" or "MPC Umbrella Agreement" is a Rule 9 Agreement for a Master Planned Community Project (see Section C).

"Maximum Allowance" means the Allowance based on the Line Extension's total Estimated Peak Demand or Units. Typically, only a portion of the Maximum Allowance, the Upfront Allowance, is granted at time of execution of the Agreement.

"Maximum Demand" is defined in Rule 1.

"Meter" or **"meter"** as is defined in Rule 1.

"Minimum Requirements" has the meaning ascribed to it in Section A.3 (Minimum Requirements). (T)

"New Service" is defined in Rule 1.

"Parent" is defined in Rule 1.

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Rule No. 9 (D, N)
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Peak Demand" is a general term used to refer to Estimated Peak Demand or Units, Actual Peak Demand or Units, and Estimated Full Build-out Peak Load.

"Permanent Service" is defined in Rule 1.

"**Person"** is defined in Rule 1 and is also defined in the Nevada Revised Statutes Section 0.039.

"Phased Projects" refers to an interconnected set of Line Extension Projects for single or multiple adjacent developments proposed and/or sponsored by the same Applicant over a span of years on the same or adjacent premises. A Phased Project can be installed in multiple phases, each under a separate Rule 9 Agreement or within a single Rule 9 Agreement.

"Point of Delivery" is defined in Rule 1.

"Premise" is defined in Rule 1.

"Prior Right" means a real property right such as an easement or prescriptive right, a right of way grant issued by the federal government or a permanent or non-revocable grant, permit or license in a particular location that is prior in time to another Person's right to use the real property in that same location. The existence of a Prior Right must be supported by a copy of the real property right/document. If no such document can be produced, Utility must provide a statement clarifying the Prior Right that is signed by an officer, director or manager of Utility who declares that the information set forth in the claim is accurate and complete. The claim must be accurate and include supporting proof that a Prior Right exists for Utility's facilities.

"Project" means the installation of a Line Extension, substation, HVD and/or relocation, removal or alteration of existing Utility facilities.

"Project Facilities" means any Utility facilities used for, supporting or associated with providing service to Applicant's development.

"Property" means premise(s) owned or controlled by Applicant commonly defined by address or cross streets or name of subdivision and further described as being within APN(s) or Subdivision Map.

"Property Rights" means real property rights, including but not limited to easements, rights of entry, subordination agreements, conveyances, deeds, transmission use agreements, Permits, prescriptive rights, and rights-of-way.

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Rule No. 9 (D, N)

ELECTRIC LINE EXTENSIONS

(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Proportionate Share" enables an Applicant that previously funded a secondary, primary, or HVD Line Extension and transformers to obtain a Refund from a subsequent Applicant that directly connects to the Line Extension funded by Applicant (See Section A.16 Proportionate Share Allocations). This pass- through mechanism is administered by Utility, but Utility does not keep any portion of the Proportionate Share Allocation. Such Allocations and subsequent Refunds are based on a pro rata share of the full capacity of the Line Extension previously funded by Applicant to which a subsequent Applicant directly connects.

"Proportionate Share Allocation" means the Total Cost allocation to a new Applicant by which they compensate a prior Applicant that previously funded facilities eligible for Proportionate Share. See Appendix 1 for table of Proportionate Share Allocations.

"Proportionate Share Refund" means the Refund a prior Applicant receives resulting from a Proportionate Share Allocation. Typically Applicant will not receive a full Refund solely from Proportionate Share Refunds for the entire amount of its initial Advance Subject to Potential Refund (Section A.16 Proportionate Share Allocations). The Proportionate Share Refund cannot exceed the original Applicant's remaining Advance Subject to Potential Refund for the specific Line Extension(see schedule in Attachment 1 Proportionate Share Allocations per Unit.).

"Reduction of Service" is defined in Rule 1.

"Reduction of Service or Termination Charges" ("RSTC") means the process by which Utility recovers remaining Utility's investment in a Project and other associated Total Costs for which the Applicant is responsible at the time that the Reduction of Service or Termination of Service threshold are met, as defined in Rule 1.

"Refund" means the return of eligible portions of any remaining balance of the Project's Advance Subject to Potential Refunds, as a result of:

(1) Line Extension Allowance True-up;
(2) Total Cost True-up;
(3) Proportionate Share Allocation;
(4) CIAC Total Cost True-up; or
(5) Return of deposit for non-standard inventory.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Relocation and Removal Agreement" is a Rule 9 Agreement for a Relocation and Removal Project (see Section A.6, Alteration of Existing Facilities).

"Relocation and Removal Project" is a Project to modify, rearrange, relocate or remove any of Utility's existing facilities for any purpose that does not affect a net increase in demand or the number of units that will take service, pursuant to Section A.6 (Alteration of Existing Facilities).

"Revenue-Based Allowance" means an individually calculated Maximum Allowance for a Project based on its Estimated Peak Demand (EPD), consisting of that portion of an Applicant's revenue stream (excluding O&M) designed in rates to recover the Total Costs of the facility and which does not duplicate any other Allowance or Refund granted to any Applicant.

"Risk Profile" means the totality of circumstances that may affect the ability of Applicant or Applicant's project (defined as the new loads enabled by the Line Extension) to make sustained bill payments, by which Utility may fully recover its Rule 9 investment(s) in facilities that are required for or are associated with providing Service to the development. The initial assessment or Risk Profile reviews current and past Demand history relative to EPD, financial condition, and the ability of Applicant or Applicant's project to meet the criteria for establishing or maintaining Satisfactory Credit. When any of these parameters indicate an adverse change in financial condition or decline in Risk Profile for Applicant or Applicant's project, then the following factors may also be considered: competitive position, industry risk, operational risk, business prospects, and potential litigation.

"Rule" is defined in Rule 1.

"Rule 9 Agreements" is a general term encompassing a written contract between Utility and Applicant that documents the parties' agreement concerning one or more provisions of this Rule, related sections in the Tariff Schedules and/or Utility's policies, procedures and practices. Utility may use other types of agreements that are not specifically referred to in this Rule in order to effectuate the purposes of this Rule.

"Security" means a cash Deposit, Letter of Credit, Parent Guarantee, Applicant's real property, an Affiliate's obligation and/or qualification of Unsecured Credit by Utility to back potential liabilities including but not limited to Allowance and Total Cost True-up Invoices and Reduction of Service and Termination Charges or any other Total Costs incurred by Utility in connection with Applicant's Project.

(D, N)

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. **General Information** (Continued)

A.34. **Rule 9 Definitions : (Continued)**

c. Definitions: (Continued)

"Security Requirements" means the obligation in force throughout the term of the Agreement for Applicants with Abnormal Risk, Large Projects, or S/HVD Agreements to provide, increase or reduce Security when warranted by the state of Applicant's Risk Profile, credit-worthiness and/or ability to meet the criteria to establish and maintain Satisfactory Credit or pursuant to an annual review of the investment to be secured. For Applicants or Projects with a Security Requirement, Utility has a right to request audited financials prior to the execution of the Rule 9 Agreement or during the term of the Rule 9 Agreement. In the event that Applicant fails to provide financials when requested, its classification with Utility may default to high credit risk, result in the rescinding of all utilized unsecured credit and the downgrading of Applicant's and/or Project's Risk Profile. Security shall be returned at expiration of the Rule 9 Agreement.

"Satisfactory Credit" is defined in Rule 1.

"Service" is defined in Rule 1.

"Service Location" is defined in Rule 1.

"Service Wires or Connection" is defined in Rule 1.

"Singe Family Attached Dwelling" is a single-family dwelling constructed in a group of two or more attached units joined by common walls on not more than two opposite sides where each dwelling unit receives electric service from an independent service line to an individually metered service point located on the premise. (N)–(N)

"Standard Line Extension Agreement" is a Rule 9 Agreement for a Standard Project.

"Standard Project" is generally a Line Extension that is smaller than a Large Project and is distinct from Abnormal Risk Projects, Large Projects, MPC Projects, Relocation and Removal Projects, and Substation and HVD Projects.

"Standards" is defined in Rule 1.

(D,L)

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Stranded Investment" in the context of Rule 9 only applies as explicitly stated or as included in Total Costs in Sections A.22 and A.25. It refers to any Utility investments for which bill payments resulting from the Applicant's Project that contribute to the recovery of Utility's investment in such facilities are reduced or eliminated, permanently or temporarily. This is limited to significant upstream substation, HVD and Distribution Feeder capacity. The determination of Stranded Investment is limited to facilities identified at the time of the execution of the Agreement that can be reasonably estimated and are directly attributable to the Applicant's Project. (L)

"Subdivision" is defined in Rule 1. (L)

"Substation and HVD Agreement" or "S/HVD Agreement" is a Rule 9 Agreement used when Applicant has a Total Cost responsibility for a substation and/or HVD to serve Applicant's load pursuant to Section B.2 (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations).

"Substation and HVD Project" or "S/HVD Project" means a Project where Applicant has a Total Cost responsibility for a substation or HVD to serve Applicant's load pursuant to Section B.2 (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations).

"Surcharge" means an alternative monthly payment option whereby Applicant pays an Advance for facilities over a fixed period of time, usually 5-10 years, in accordance with Section A.24 (Payment Alternatives).

"Tax Gross-up" means the income tax liability of Utility for Advances Subject to Potential Refund, CIAC, and the reasonable value of Applicant's non-cash contributions under Section 118 of the Internal Revenue Code that Applicant must pay in accordance with NAC § 704.6532 and Section A.18 (Taxability of Advances for Line Extensions).

"Temporary Service" is defined in Rule 1.

"Term" means the length of a Rule 9 Agreement, and the period for which Applicant's Project is eligible for Refunds.

"Termination of Service" is defined in Rule 1.

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

"Tests" is a general term used in Sections B.2 (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations) and C.4, (Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations) for specific applications for determining Applicant's Total Cost responsibility for substations and HVD. The "60 % Test" and "80% Test" are general terms for Tests applied to non-MPC substations and HVD (Section B.2) and MPC substations and HVD (Section C.4). (L)

"Timely Payment" is defined in Rule 1.

"Total Cost True-up" refers to the audit of a Project or determination of the Final Total Costs, including CIAC Total Cost True-ups. A Total Cost True-up results in the adjustment of the Estimated Total Costs of the Project as provided in the Section A.31 (True-ups). (L)

"Total Cost True-up Support" includes itemization of labor costs, itemization of the cost of stock materials, vendor invoices for non-inventory materials purchased for the Project, but with information Utility is required to keep confidential redacted, itemization of any other Total Costs, work papers, verification and calculation of all Utility project overheads, and other information used to complete the Total Cost True-up, with confidential information redacted. Applicant may review other non-confidential documentation related to the project costs at Utility's office during Utility's regular business hours but must provide a written request at least five (5) business days in advance.

"Total Costs" means all costs associated with a Project, in addition to those costs specifically delineated elsewhere in the Rule. Utility's estimated and final costs for and/or associated with an Applicant's Project shall include, but are not limited to all of the following:

(1) regulatory, environmental and other governmental fees; and
(2) material including poles, wire, insulators, transformers, switches, cables, cable in conduit, connections, terminations, transformers, and other such appurtenances; and
(3) labor including survey, right of way, construction, engineering, inspection, and supervision, transportation, equipment; and
(4) associated overheads and other such costs which, in the reasonable opinion of Utility, are related to the such Project; and

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued) (L)

(5) removal of any existing facilities (less salvage value); and
(6) Stranded Investments; and
(6) any alteration, modification or improvement of existing facilities which is required to provide the requested service to Applicant.

"Unsecured Credit" means the amount of potential liabilities and future obligations with Utility that Applicant or counterparty has that Utility, pursuant to its risk management practices, evaluates as relatively secure. For example, Applicants with Satisfactory Credit have sufficient Unsecured Credit to cover a minimum of two (2) months of bill payments. Applicants are able to comply partially or completely with their Security Requirements with Unsecured Credit based on their credit worthiness as determined by Utility (see Letter of Credit, Risk Profile, and Security Requirements). (L)

"Up-front Allowance" means that portion of the Maximum Allowance that Utility credits Applicant at the time of the execution of the Rule 9 Agreement to offset part or all of Applicant's required Advance Subject to Potential Refund. Utility will calculate the Up-front Allowance based on Applicant's representation and Utility's reasonable expectation that the supporting number of meters and/or Demand will be initiated within the 12-month period following Construction Complete. Utility may apply standard percentages for this purpose per Section B.3 (Allowances).

"Utility" is defined in Rule 1.

"Utility's Operating Convenience" is defined in Rule 1.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.1. Applicability

Section B applies to all Projects except those that are defined as Master Planned Communities in Section C of this Rule.

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations

a. Determining Total Cost Responsibility. As described below in Subsections B.2.a.1 and B.2.a.2, the following Tests apply to determine if a Substation or HVD project is required principally for the purpose of providing service to the Applicant. If so, the Applicant will have a Total Cost responsibility for the new substation or HVD installation. These Tests are to be performed, prior to the execution of a Rule 9 Agreement, using the Applicant's Estimated Full-Build-out Project Load planned to be served from the new Substation or HVD facilities. Subsequently, the Tests will be performed per Subsection B.2.e using the data for an Applicant's Peak Demand on the new substation or HVD facilities. The construction of a substation or HVD facility is deemed to be required principally for the purpose of providing service to an Applicant's project if the portion of the Applicant's Estimated Full-Build-out Project Load that is planned to be served from the new substation is estimated by Utility to be equal to or greater than:

1. For a Substation:

(a) sixty percent (60%) of the standard design Minimum Requirement transformer nameplate capacity of the first phase of the substation at the time that the first phase of the substation is Construction Complete (the transformer nameplate capacity of the first phase of the substation is initially assumed to be the nameplate capacity of the first transformer); or

(b) eighty percent (80%) of the forecasted aggregate load of all Customers to be served by this substation within the first 10-year period. The 10-year period begins at the time that the first phase of the substation is Construction Complete.

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

2. For High Voltage Distribution:

(a) sixty percent (60%) of the standard design Minimum Requirement HVD rated capacity at the time that the HVD is Construction Complete; or

(b) eighty percent (80%) of the forecasted aggregate load of all Customers to be served by this HVD within the first 10- year period. The 10-year period begins at the time that the HVD is Construction Complete.

3. Redundant and Back-up Capacity: Redundant and back-up capacity, beyond the Minimum Requirements to serve Applicant's load, shall not be used in applying Subsections B.2.a.1. and B.2.a.2.

4. Initial and Subsequent Projects: Initial and subsequent Applicants' Projects that do not meet the criteria in Subsections B.2.a.1 and B.2.a.2 initially or post Construction Complete shall not have direct substation or HVD Total Cost responsibility.

5. For Applicants Who do not Meet Minimum Criteria: For Applicants for whom Utility is building substation or HVD which do not meet the criteria in Subsections B.2.a.1 and B.2.a.2, Subsection B.2.c.3 (Providing Rights of Way to Utility) shall apply.

b. Components of Total Cost Responsibility. In such case(s) where the new substation and/or HVD are required to principally serve Applicant's project as determined above, and in addition to those Total Costs specifically delineated elsewhere in Rule 9, Applicant shall enter into an agreement with Utility ("S/HVD Agreement") and be required to submit an Advance to Utility equal to the sum of the following Total Costs. (HVD- only Project would not include items (1) and (2)): (T)

1. 100% of Transformer Total Costs. 100% of the Total Cost of the Minimum Requirement first phase substation transformer(s), however, when the substation shall also serve other projects of other Applicants that have signed an Agreement with Utility to take service from that substation, the Total Costs for Applicant with Total Cost responsibility shall be prorated; plus

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

b. Components of Total Cost Responsibility. (Continued)

2. Proration of Barebones Full Build-out Substation. The entire remaining Total Cost of the first phase of the substation, absent transformer Total Costs, designed to meet Utility's Standards and to serve the EFBPL, including without limitation the substation site, on-site and off-site improvements, including the fair market value of any Utility or Applicant-contributed real property or improvements, prorated by Applicant project's share of the full build-out capacity of the facilities; plus

3. Rights of Way. Pursuant to Rule 9, Section A.9, (Property Rights), 100% of the Total Cost of any required rights of way, including those from a party that Applicant does not directly or indirectly control and is not controlled by or under common control with Applicant ("third party"); plus

4. HVD. The Total Cost of any HVD, prorated by the ultimate load share of Applicant's project relative to either the full build-out capacity of the substation or the full build-out capacity of the HVD, as Utility deems appropriate; minus

5. Allowances. Any applicable Rule 9 substation or HVD construction Allowances, when granted.

c. Land. Applicant shall make available a substation site mutually acceptable to Applicant and Utility, only if Utility has not previously acquired a substation site that Utility deems appropriate for the new substation. Applicant shall also provide to Utility's satisfaction:

1. grading of that portion of the substation site to finished grade required for Applicant's Minimum Requirements; and
2. on-site and off-site improvements; and
3. rights of way and easements to Utility that Utility deems necessary or incidental for the HVD and/or substation.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

d. Credit for Real Property and Improvements. Utility will purchase the improved substation site from Applicant, if one is necessary pursuant to Subsection B.2.c, at the fair market value of any real property and improvements made available by Applicant based on the purchase price or on an appraisal prepared pursuant to Subsection A.18.e (Valuation of Non-Cash Contributions). The substation site shall be and remain the sole property of Utility.

e. Post Construction Substation and HVD Tests.

1. Recalculation of Tests. Twelve (12) months after the new substation or HVD is Construction Complete, Utility shall recalculate the Tests using updated capacity and load information, as Utility deems appropriate. Based on the results of the post Construction Complete Tests and the Final Total Cost information, Utility shall recalculate all required Advances and Allowances and will return any overpayment or submit an Invoice to Applicants as appropriate pursuant to Subsection B.2.e.2.

2. Change in Total Cost Responsibility. If the Applicant's Total Cost responsibility was determined based on the initial Tests (see Subsection B.2.a), then there will only be an increase in Applicant's Total Cost-responsibility allocation as a result of post Construction Complete Tests if the Applicant increases its EFBPL. There may be a decrease in the Applicant's Total Cost responsibility allocation as a result of the post Construction Complete Tests if the Applicant reduces its EFBPL and/or additional subsequent Applicants have added verified load that requires installation of additional transformers. A subsequent Applicant's Total Cost responsibility allocation will be based on its EFBPL at the time of the post Construction Complete Tests. Also refer to Subsection B.2.l (Subsequent Applicants). Any Total Cost responsibility will be adjusted based on the Total Cost True-up, pursuant to Subsection A.31.c (True-Up of Substation and HVD Projects).

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

f. True-ups. Any True-up of associated Large Projects required by Rule 9, Section A.23, (Service to Large Projects), shall also be conducted by Utility in accordance with Section A.31, (True-Ups).

g. Substation and HVD Allowances. These Allowances:

1. are Revenue-Based Allowances developed using the expected revenue designed to recover a specific type of investment (substation, HVD or, where applicable, additional distribution) over the term of the S/HVD Agreement; and

2. may be applied to offset the Advance Subject to Potential Refund required for any associated Line Extension. In a parallel fashion, any Line Extension Allowances associated with the Substation and HVD Project may be applied to offset the Substation Advance Subject to Potential Refund and/or the HVD Advance Subject to Potential Refund; and

3. are determined on a case-by-case basis. An additional Allowance shall be granted for Applicants who are responsible for all distribution facilities directly serving the load between the substation for which they are held responsible pursuant to this Section and their Point of Delivery. That Allowance will be a Revenue Based Allowance representing the investment supported by 50% of the applicable non-substation, non-HVD, non-customer and non-facilities related distribution revenue. An Applicant may request additional Allowance based on more than 50% of the applicable revenue. In such instances, Utility, Applicant and Staff of the Commission shall confer and Utility and Staff of the Commission shall jointly determine the appropriate amount of additional Allowance to be granted.

h. HVD Allowances.

1. HVD must be directly connected to Federal Energy Regulatory Commission jurisdictional transmission facilities to qualify for an HVD Allowance.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

h. HVD Allowances.

2. HVD Allowances can be granted for both overhead and underground installations, however, HVD Allowances are limited to the estimated cost of facilities installed in an overhead configuration.

i. Substation and HVD refunds. For the calculation of Refunds, True-up of Substation or HVD loads shall include the load of Applicant and the load of all other Customers that are utilizing these facilities when the True-up is performed.

j. Substation Agreement Term. Substation and HVD Agreements shall be for ten (10) years and shall be eligible for True-up over the term of the Substation and HVD Agreement.

k. Termination of S/HVD Agreement. If an Applicant's project does not take Permanent Service for any portion of its contracted capacity from that new substation and/or HVD within five (5) years from the date that the S/HVD Agreement is executed:

1. Utility may notify the Applicant in writing that Utility desires to terminate the S/HVD Agreement. Applicant can agree to terminate the S/HVD Agreement or provide Utility written notice that Applicant desires to maintain the Agreement. In the event that the Agreement is terminated, Applicant is responsible for all
(a) Total Costs associated with the substation and/or HVD that Utility has incurred to date, including land, easements and improvements for which Applicant is obligated to pay, and (b) Total Costs that result from termination upon being provided a written accounting of the Total Costs by Utility; and

2. if the Agreement is terminated pursuant to Section B.2.k.1, prior to commencement of construction of the substation or HVD, with the consent of the Applicant, Utility may (in its discretion) retain ownership of land, right of way and/or improvements if it compensates Applicant for the fair market value of the land, right of way and/or improvements based on an appraisal prepared by a MAI Appraiser mutually acceptable to Applicant and Utility and paid for by Applicant; and

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(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

k. Termination of S/HVD Agreement. (Continued)

3. if the Agreement is terminated pursuant to Section B.2.k.1, after the commencement of construction of the substation or HVD, the Applicant will forfeit any spent or committed Total Costs upon being provided a written accounting of the spent or committed Total Costs by Utility.

l. Subsequent Applicants. If there is a reasonable probability, as determined by Utility, that subsequent Applicants may meet the criteria in Subsections B.2.a.1 or B.2.a.2 post Construction Complete, then Utility may require the subsequent Applicant to provide Security at the time the Agreement is executed in order to secure payment of subsequent Applicant's potential future Total Cost responsibility, should subsequent Applicant meet the criteria post Construction Complete.

m. Redevelopment Districts

1. Plans for Full Build-out of Project(s). Redevelopment districts whose projects in whole require new substations and/or HVD shall provide Utility the best available information on an ongoing basis regarding the district's EFBPL and area plan in order to facilitate design and installation of facilities that best serve the end users' and developers' Projects within the redevelopment district, including:
   - (a) the expected location; and
   - (b) timing; and
   - (c) capacity requirements; and
   - (d) load of all known and anticipated developments within the district

2. Total Cost Responsibility. Utility shall determine the Total Cost responsibility for each Applicant within the redevelopment district individually, consistent with the general application of this Rule including the use the above Tests and calculations. Redevelopment district master planning, in itself, shall not constitute requiring construction of a substation or HVD under this Section or cause the redevelopment district to be deemed an Applicant.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

n. Customer Owned Substation High Side Facilities. If a current or future Customer or Applicant builds a Customer owned substation, Customer or Applicant shall contribute to Utility all land, design and construction required for switching and high-side facilities of the substation, and any required HVD for interconnection with Utility's transmission system. All such shall be designed and constructed to Utility Standards.

o. Existing Load Transferred to a Customer Owned Substation. Where existing load is served through a Utility owned substation and/or HVD, and this existing load is transferred to a customer-owned substation and/or HVD, then Applicant/Customer will be subject to the Total Costs associated with that portion of the Utility owned substation and/or HVD required to serve the Applicant/Customer, including substation and HVD capacity not expected to be used to serve other Customers within three (3) years.

B.3. Allowances

a. Allowance Amounts. Allowance for Line Extensions other than those designated as Master Planned Communities as referred to in this Rule shall be calculated using the data listed in Attachment 3, (Allowances for Line Extensions other than Master Planned Communities) to this Rule.

b. Reduction of Advance Subject to Potential Refund. Utility shall reduce the amount of Applicant's required Advance Subject to Potential Refund by an amount equal to the granted Up-front Allowance as determined by Utility in accordance with the specifications of this Rule.

c. Up-front Allowance Based Upon Expectation of Demand within 12 Months. Utility may apply any portion of the Allowance in advance of construction of the Line Extension facilities where there is a reasonable expectation that the supporting number of meters and/or demand will be initiated within the twelve-month period following Construction Complete.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.3. Allowances (Continued)

d. Standardized Percentages. Where applicable, Utility may apply estimates by rate class or other Customer groupings of the expected percentage of load that will be realized within the first twelve (12) months following Construction Complete. These standardized percentages will be applied to the Maximum Allowance to determine the Up-front Allowance to be granted at the time of the execution of the Agreement. These expected load percentages may be based on historical data or other appropriate estimation methods.

e. Expectation of Meter Additions and/or Demand. Where such reasonable expectation as stated in Section B.3.c, (Up-front Allowance Based Upon Expectation of Demand or units within 12 months) does not exist, then Utility shall not apply any portion of the Allowance that is not supported by anticipated meter additions and/or demand increases until such time as the meter additions and/or demand increases actually occur.

f. Allowances for Substations and HVD Projects. Allowances for Projects governed by Section B.2, (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations) shall be as provided in Subsections B.2.g and B.2.h.

g. No Allowance After Expiration of Term. No Allowance shall be given for any additional meters and/or additional demand that occurs after the Rule 9 Agreement terminates.

h. Permanent Structures. An Allowance shall only be applicable to permanent structures/load connected to a Line Extension during the term of the Rule 9 Agreement.

B.4. Term

a. Standard Line Extension Agreement. The term of a Standard Line Extension Agreements shall be five (5) years from the date it is executed.

b. Large Project Line Extension Agreement. The term of a Large Project Line Extension Agreement shall be seven (7) years from the date it is executed.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.4. Term (Continued)

c. Abnormal Risk Agreement. The term of an Abnormal Risk Agreement shall be ten (10) years from the date it is executed.

d. Substation and HVD Agreement. The term of an Substation and HVD Agreement shall be ten (10) years from the date it is executed.

C. Master Planned Communities

C.1. Applicability

The following terms and conditions in this Part C shall be applicable to a Line Extension constructed for the purpose of providing electric service to Master Planned Communities.

C.2 Master Planned Community Definition

a. Requirements. A Master Planned Community ("MPC") typically is a large community of new homes that features community entries, parks, recreational areas, schools, community shopping, and/or a multi-use commercial development. Within a MPC there are smaller communities offering a variety of home styles built by one or more contractors or developers. More specifically, a MPC means a development with the following size and load:

1. 125 acres or more that is to be developed as a single community for:
   (a) one or more planned unit residential developments, and/or
   (b) one or more public, quasi-public, commercial or industrial areas with diversified ownership; or
2. between 75 acres and 125 acres that is to be developed as a high-density single community:
   (a) for one or more planned unit residential developments and/or

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

C. Master Planned Communities

C.2 Master Planned Community Definition

a. Requirements. A Master Planned Community ("MPC") typically is a large

2. (Continued)

(b) for one or more public, quasi-public, commercial or industrial areas with diversified ownership; and

(c) that has an EFBPL of:

(1) 10 MVA or greater for service from Utility's 12 kV distribution system; or

(2) 20 MVA or greater for service from Utility's 25 kV distribution system.

The EFBPL of Applicant's project shall be determined by Utility on the basis of information provided by Applicant.

b. Other Voltages. For Applicant's MPC as described in Subsection C.2.a.1(b) for proposed Distribution Feeders of voltages other than 12 kV and 25 kV, Utility shall determine if Applicant's project is a MPC on a case-by-case basis based on the totality of the relevant circumstances.

C.3. Master Planned Community Boundary

a. Exhibit. The MPC Applicant shall provide Utility an exhibit that clearly identifies all parcels that are included within the boundaries of the MPC and clearly identifies parcels that are within islands of the MPC that are not part of the MPC.

b. Changes to Exhibit. Any changes to the MPC exhibit after the MPC Umbrella Agreement has been executed will only take effect after an amendment to that MPC Umbrella Agreement has been executed by both Applicant and Utility. The exhibit provided by the MPC Applicant shall be an attachment to the MPC Umbrella Agreement, and Utility and Applicant shall sign and date each page of the MPC exhibit attached to the MPC Umbrella Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

C. Master Planned Communities (Continued)

C.4. Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations

a. Determining Total Cost Responsibility. The installation of a substation or HVD is deemed to be required principally for the purpose of providing service to a MPC Project pursuant to the following Tests when the portion of Applicant's development's Estimated Full-Build-out Project Load that is planned to be served from the new substation is estimated by Utility to be equal to or greater than:

1. For a Substation.

(a) sixty percent (60%) of the standard design Minimum Requirement transformer nameplate capacity of the first phase of the substation at the time that the first phase of the substation is Construction Complete (the transformer nameplate capacity of the first phase of the substation is initially assumed to be the nameplate capacity of the first transformer); or

(b) eighty percent (80%) of the forecasted aggregate load of all Customers served by this substation over the term of the MPC Umbrella Agreement.

2. For High Voltage Distribution.

(a) sixty percent (60%) of the standard design Minimum Requirement HVD rated capacity at the time that the HVD is Construction Complete; or

(b) eighty percent (80%) of the forecasted aggregate load of all Customers' served by this HVD over the term of the MPC Umbrella Agreement.

Redundant and back-up capacity, beyond the Minimum Requirements to serve Applicant's load, shall not be used in applying Subsections C.4.a.1 and C.4.a.2.

MPC Projects that do not meet the criteria in Subsections C.4.a.1 and C.4.a.2 shall not have direct substation or HVD Total Cost responsibility.

(Continued) (D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued) (D, N)

C. Master Planned Communities (Continued)

C.4. Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations

b. Applicant Total Cost Responsibility.

1. For MPC Projects meeting the criteria in Subsections C.4.a.1 or C.4.a.2, Utility will, at its sole expense, construct such substation and/or HVD if:

   (a) the substation is within 2 miles of an existing, energized substation that can fully serve the MPC; and

   (b) the timing of construction of the facility is consistent with the timing contained in Utility's HVD and Distribution Substation Plan.

2. If such substation is:

   (a) not within 2 miles of an existing, energized substation; or

   (b) Applicant requests that the substation be constructed prior to the date planned in Utility's HVD and Distribution Substation Plan.

   then the Advance Subject to Potential Refund required from Applicant to Utility shall be increased to include Utility's Estimated Total Cost of such substation and/or HVD. To the extent the overhead HVD necessary for interconnection of the substation exceed two miles, the Applicant shall provide a Contribution in Aid of Construction for such cost.

3. Where the substation and/or HVD shall also serve Customers located outside the MPC boundary, the Total Costs shall be prorated by capacity allocated to Applicant and Applicant shall then only be required to advance the prorated portion allocated to Applicant.

4. With respect to the substation costs delineated in Subsection C.4.b.2, the Applicant is only responsible for advancing the Total Costs of:

   (a) the first transformer bank to be installed in the substation, and

(D, N)

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

C. Master Planned Communities (Continued)

C.4. Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations

b. Applicant Total Cost Responsibility. (Continued)

4. (Continued)

(b) all substation facilities required to place the first transformer bank in full operation with such facilities sized for the EPD of the substation, and

(c) engineered provisions to enable Utility to expand the capacity of the substation without the requirement for substation outages.

5. Substation Site. For all substations where Utility determines that the MPC Project meets the criteria in Subsections C.4.a.1 or C.4.a.2, then Applicant shall provide at no expense to Utility a substation site mutually acceptable to Applicant and Utility. In addition Applicant shall be responsible for the cost of the following:

1. grading of that site to finished grade; and
2. onsite and offsite improvements and rights-of-way; and
3. rights of way as required for the distribution and HVD for the substation.

C.5. Master Planned Community Advance

a. Payment for Single Phased Projects Required Prior to Construction. Before the commencement of construction of a Line Extension pursuant to a MPC Umbrella Agreement, Applicant must submit an Advance, equal to Utility's entire estimated Total Cost of constructing a Line Extension of sufficient capacity (kVA), including substation and HVD Total Costs if any, required to serve EPD of Applicant's MPC Project.

b. Payment for Phased Projects. Notwithstanding Subsection C.5.a, where a MPC Project is to be constructed in phases, the Advance shall be made in phases with the Advance for each phase submitted to Utility prior to the initiation of construction of the facilities for that phase.

(Continued)

(D, N)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

C. Master Planned Communities (Continued)

C.6. Master Planned Community Refunding of Advances.

a. Refunds for MPC Substations and MPC HVD. Refunds for substations and HVD shall be computed based on the load experienced by the substation or HVD.

b. MPC Substation and HVD Refund Timeline. Eligible Refunds shall be computed and paid annually based on the highest demand recorded in the prior twelve (12) months, commencing twelve (12) months following the execution date of the MPC Umbrella Agreement.

c. Calculation of Refund for MPC Substation and MPC HVD. The following formula shall be utilized to determine the annual Refund:

Annual Refund =

$$\frac{A \times C}{B} - D$$

Where:

A is the Advance Subject to Potential Refund for substation and HVD Total Costs.

B is the capacity allocated to Applicant or 22 MW, whichever is less.

C is the highest demand recorded in the substation for the 12-month period being evaluated.

D is the sum of all such annual Refunds previously made pursuant to the MPC Umbrella Agreement.

d. Refunds for Distribution Feeders.

1. MPC Refunds based on Subsequent Line Extensions. For Distribution Feeders installed pursuant to a MPC Umbrella Agreement or MPC Addendum, Refunds shall only be earned for subsequent Line Extensions that are located within the MPC and utilize the electric facilities installed pursuant to the MPC Umbrella Agreement to obtain electric service.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

C. Master Planned Communities (Continued)

C.6. Master Planned Community Refunding of Advances.

d. Refunds for Distribution Feeders.

2. Aggregation of Refunds for Distribution Feeders. Refunds for Distribution Feeders within the MPC boundary shall aggregate and be applied to offset the aggregate Total Cost of all Advances Subject to Potential Refund paid by the MPC for Distribution Feeders within the MPC on the anniversary date of the MPC Umbrella.

e. MPC Refund Amounts. Refund amounts for Distribution Feeders shall be calculated using the data listed in Attachment 4, (Refunds for Master Planned Communities) to this Rule. (T) (T)

f. MPC Addendum Agreement Refunds and Tax Gross-ups. A MPC Addendum or MPC S/HVD Agreement executed pursuant to a MPC Umbrella Agreement shall be governed by the version of Rule 9 that is in effect on the effective date of the MPC Umbrella Agreement, with the exception of the following:

1. The Refund level for a MPC Addendum and a MPC S/HVD Agreement shall be the Refund level in effect in Rule 9 on the effective date of the Addendum or S/HVD Agreement.
2. The Tax Gross-up rate applicable to the MPC Addendum or MPC S/HVD Agreement shall be determined pursuant to Section A.18.b.

C.7. Master Planned Community Term

a. MPC Umbrella Agreement Term. The term of a MPC Umbrella Agreement shall be fifteen (15) years from the date both Applicant and Utility first executed the MPC Umbrella Agreement. A MPC Addendum or MPC S/HVD Agreement terminates when the MPC Umbrella Agreement pursuant to which it is executed terminates, either through expiration of the MPC Umbrella Agreement or through some other method of termination.

b. Term of Line Extensions within a MPC. Except as otherwise specifically allowed in Section A.23 (Large Projects) and Section A.24 (Abnormal Risk Projects), the term of Rule 9 Agreements for any Line Extensions within the MPC boundary other than the Rule 9 Agreement governing the Distribution Feeders and substations, shall be five (5) years from the date the Line Extension Agreement is executed by both Applicant and Utility. If the term of the Line Extension Agreement extends beyond the term of the MPC Umbrella Agreement, Refunds will be made pursuant to the Line Extension Agreement until the expiration of the Line Extension Agreement.

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

D. Implementation

D.1. Previous Rule Agreements (L)

Any Applicant who has a signed Rule 9 Agreement for a physical connection to Utility's electric system under the previously authorized version of Rule 9 shall have such request honored by Utility, and that Rule 9 Agreement will be administered pursuant to the version of Rule 9 that was in effect at the time Applicant and Utility executed the Rule 9 Agreement. (L)

D.2. Refunds Based on Rule in Effect at Time of True-up

Notwithstanding Section D.1, for Rule 9 Line Extension Agreements, MPC Addendum and Umbrella Agreements executed on or after the filing date of October 1, 2012 of the Advice Letter for modifying the 2003 Rule and prior to the effective date of the rule adopted by the Commission pursuant to that filing in Dockets 12- 10004 and 12-10005, a True-up or MPC Refund or Proportionate Share Refund calculation shall use the Allowance, MPC Refund or Proportionate Share Refund amounts from the version of Rule 9 that is adopted by the Commission pursuant to that filing in Dockets 12-10004 or 12-10005.

D.3. Term of Rule 9 Agreement (N)

Notwithstanding Section D.1, for Rule 9 Large Project Line Extension Agreements, MPC Umbrella Agreements, and Abnormal Risk Agreements executed on or after the filing date of October 1, 2012 of the Advice Letter for modifying the 2003 Rule and prior to the effective date of the rule adopted by the Commission pursuant to that filing in Dockets 12-10004 and 12-10005, the term of such Agreement shall be the term of such Rule 9 Agreement that is part of the version of Rule 9 that is adopted by the Commission pursuant to that filing in Dockets 12-10004 or 12-10005. (N)

D.4. Effective Date for All other Provisions (T)

All other provisions of Rule 9 Agreements executed after the effective date of the rule adopted by the Commission in Dockets 12-10004 and 12-10005, shall be subject to the provisions of the approved Rule 9 that is effective on the date the agreement is executed.

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 1 – RULE 9 OF SIERRA PACIFIC POWER COMPANY
PROPORTIONATE SHARE ALLOCATIONS PER UNIT

4 – 12 KV

Phase	Type	Wire	Transformer	Switch	Total Cost/kVA	Total Cost/Ft/kVA	
1	O/H	#2				$0.070	(I)
3	O/H	#2				$0.018	(I)
3	O/H	397.5				$0.004	(I)
3	O/H	795				$0.005	(I)
1	U/G	1/0				$0.050	(I)
1	U/G	1/0 Res				$0.056	(I)
3	U/G	1/0				$0.018	(R)
3	U/G	1/0 Res				$0.040	(I)
3	U/G	1000				$0.005	(I)
1	O/H		15-75 KVA		$222.21		(I)
1	U/G		25-100 KVA		$88.06		(R)
3	U/G		75-500 KVA		$127.58		(I)
3	U/G		750-2500 KVA		$53.88		(I)
3	U/G			200 Amp	$32.80		(I)
3	U/G			600 Amp	$8.06		(I)

25 KV

Phase	Type	Wire	Transformer	Switch	Total Cost/kVA	Total Cost/Ft/kVA	
1	O/H	#2				$0.035	(I)
3	O/H	#2				$0.009	(I)
3	O/H	397.5				$0.002	(I)
3	O/H	795				$0.002	(I)
1	U/G	1/0				$0.026	(I)
3	U/G	1/0				$0.010	(I)
1	U/G	1/0 Res				$0.029	(I)
3	U/G	1/0 Res				$0.020	(I)
3	U/G	1000				$0.002	(I)
1	O/H		15-75 KVA		$230.18		(I)
1	U/G		25-100 KVA		$91.19		(R)
3	U/G		75-500 KVA		$168.42		(I)
3	U/G		750-2500 KVA		$56.92		(I)
3	U/G			200 Amp	$16.55		(I)
3	U/G			600 Amp	$4.05		(I)

Note: The Total Cost per foot per KVA for residential overhead Line Extensions at all voltages and the unit Total Costs for any Line Extensions involving voltages greater than 25 KV shall be individually calculated.

(Continued)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 2 – RULE 9 OF SIERRA PACIFIC POWER COMPANY

TAXABILITY OF ADVANCES FOR LINE EXTENSIONS – TAX GROSS-UP RATE

The current Tax Gross-up rate for

1. depreciable distribution or transmission property of less than 69 kV is 13.0%; and (I)

2. depreciable distribution or transmission property equal to or greater than 69 kV is 10.3%; and (I)

3. non-depreciable property is 26.6%.

If the U.S. Government changes the depreciation rate for public utility line extension assets through Bonus Depreciation on a retroactive basis to an earlier date than the date of enactment, and where

(1) a Rule 9 Project is a Large Project, a MPC Project, a Relocation and Removal Project, or a Substation and HVD Project, and

(2) the effective date of the Tax Gross-up rate for such Project, as provided in Section A.18.b, falls within the enacted Bonus Depreciation period,

then as part of the Total Cost True-up of such Project pursuant to Section A.31, the Utility shall calculate the Tax Gross-up rate applicable to such Project utilizing the methodology mandated by NAC 704.6532 and applying thereto the depreciation rate that applies to Utility on the effective date of the Tax Gross-up rate for such Project pursuant to Section A.18.b.

Utility will use that calculated Tax Gross-up rate in the Cost True-up of such Project.

(Continued)

Rule No. 9

ELECTRIC LINE EXTENSIONS

(Continued)

ATTACHMENT 3 – RULE 9 OF SIERRA PACIFIC POWER COMPANY
ALLOWANCES FOR LINE EXTENSIONS OTHER THAN MASTER PLANNED COMMUNITIES

Allowance provided under Section B.3, (Allowances) of this Rule for Line Extensions other than those designated as Master Planned Communities as referred to in this Rule shall be calculated as follows:

Customer Class*	Allowance	
Schedule D-1, per unit ***	$4,692	(I)
EV Allowance Adder (Incremental and applied to install EV Charger Capable installations)	$1,877	(I)
Schedule DM-1, per unit	$974	(R)
EV Allowance Adder (Incremental and applied to install EV Charger Capable installations)**	$390	(R)
Schedule GS-1, per meter		
Secondary voltage (less than 4 kV), per meter	$4,245	(R)
Primary voltage (4 kV – 25 kV), per meter	$4,245	(R)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule IS-1, per kVA	$252	(I)
Schedule IS-2: A Revenue-Based Allowance calculated for low voltage distribution investments. Currently, this rate class is not eligible for Allowances because the IS-2 rate does not recover any facilities investments.		
Schedule GS-2		
Secondary voltage (less than 4 kV), per kVA	$272	(I)
Primary voltage (4 kV – 25 kV), per kVA	$94	(R)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-2-TOU		
Secondary voltage (less than 4 kV), per kVA	$113	(R)
Primary voltage (4 kV – 25 kV), per kVA	$94	(R)
High voltage distribution (greater than 35 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-3		
Secondary voltage (less than 4 kV), per kVA	$92	(I)
Primary voltage (4 kV – 25 kV), per kVA	$94	(R)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-4: GS-4 Applicants have no specific Allowance, however, customer specific facilities investments may be made by Utility pursuant to this Rule. The Total Cost for the customer specific facilities shall be recovered in accordance with the specific service agreement and rates pursuant to Schedule No. GS-4 or as provided for in Section A.26, (Payment Alternatives).	None	

*Allowance for optional classes are the same as the standard offering schedule.

** The DM-1 EV Allowance Adder is applied to EV Capable installations that share the common meter with the customer's residential unit.

*** Includes Single Family Attached Dwellings

(Continue)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 4 – RULE 9 OF SIERRA PACIFIC POWER COMPANY

REFUNDS FOR MASTER PLANNED COMMUNITIES

Refunds provided under Section C.6, (Master Planned Community Refunding of Advances) of this Rule for Distribution Feeders installed to serve Master Planned Communities as referred to in this Rule shall be calculated as follows:

Customer Class*	Refund	
Schedule D-1, per unit	$1,308	(I)
Schedule DM-1, per unit	$668	(I)
Schedule GS-1, per meter	$1,625	(I)
Schedules GS-2	$381	(I)
Schedules GS-2-TOU	$252	(R)
Schedule GS-3	$503	(I)
Schedules GS-4	None	

*Allowance for optional classes are the same as the standard offering schedule.

(Continued)

(D, N)

Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 5 – RULE 9 OF SIERRA PACIFIC POWER COMPANY

ALLOWANCES FOR PROJECTS OF SHORT DURATION

Following is a Table that provides the calculated values of the formula provided for Allowance calculations for a 30-year book life. The appropriate book life should be used for each application pursuant to Section A.22, (Allowances for Projects of Short Duration).

Year.	Percentage of Allowance
2	9.7%
3	18.5%
4	26.5%
5	33.8%
6	40.5%
7	46.5%
8	52.0%
9	56.9%
10	61.5%
11	65.6%
12	69.3%
13	72.7%
14	75.8%
15	78.6%
16	81.2%
17	83.5%
18	85.6%
19	87.5%
20	89.3%
21	90.9%
22	92.3%
23	93.6%
24	94.8%
25	95.9%
26	96.9%
27	97.8%
28	98.6%
29	99.3%
30	100.0%

(D, N)

EXHIBIT 4

(Exhibit 4 is Confidential in its entirety)

EXHIBIT 5

[redacted]

[redacted] Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs. Due to that, refunds for Gosling shall instead occur pursuant to Rule 9 Section C.6 Master Planned Community Refunding of Advances. Section C.6.a states that refunds for substations and HVD shall be computed based on the load experienced by the substation or HVD. [redacted]

[redacted]