



RULE 9

LINE EXTENSION AGREEMENT

Contract No: LEA0000184290A

Project No: 0000184290

Date Prepared: 07/10/2007

BASIS

WHEREAS, Utility owns and operates electric transmission and distribution facilities and provides electric service within Clark and Nye Counties, Nevada, in accordance with a tariff filed with and approved by the Public Utilities Commission of Nevada ("Commission");

WHEREAS, Applicant owns or controls and has requested an "Extension" or "Line Extension," as defined in and governed by Rule 9 of Utility's filed and approved tariff, for the provision of service by Utility to the premises described as follows:

NOW, THEREFORE, it is agreed by and between the Parties as follows:

This Agreement, made and entered between NEVADA POWER COMPANY, a Nevada Corporation, party of the first part, hereinafter called 'Utility', and CITY OF LAS VEGAS, party of the second part, hereinafter called 'Applicant'.

WITNESSETH

A. Applicant has applied to the Utility for the electric services at the following described property owned or controlled by Applicant, located in the County of Clark, State of Nevada, to-wit: BONNEVILLE TO OGDEN.

B. The parties agree that said line extension shall be installed in accordance with the rule of the Commission, Utility's Rule No. 9, effective January 31, 2003. In order to provide such service, it will be necessary for the Utility to extend its lines a distance of 0 feet, as shown on the service design identified as GRAND CENTRAL PARKWAY which is attached hereto as "Exhibit A" and made a part hereof. Applicant shall provide Utility with easements as required by Rule 9.

C. Utility estimates the design and construction of the Line Extension to be \$327,048.00. The amount advanced by Applicant ("Advance") upon execution of this Agreement is \$372,048.00 and is subject to the following:

That portion of Advance subject to refund, inclusive of tax per Rule 9 section B - 4 is \$638.00.

That portion of Advance, inclusive of tax, that is defined as a non-refundable Contribution In Aid of Construction (customer upgrades, relocations and removals) is \$330,163.00.

That portion of Advance, a non-cash contribution in aid of construction tax (trenching and substructures), that is not subject to refund is \$41,247.00 Per Rule 9 Section A-7.

All amounts required to be advanced by Applicant as referenced herein are subject to, and include, a tax gross-up as required pursuant to Utility's Rule 9, Section A - 18, as shown on the Contribution In Aid of Construction (CIAC) / Project Cost Worksheet, hereto as "Exhibit B" and made a part hereof.

The allowance pursuant to Rule 9, Section B - 3 is \$21,156.00.

D. The proportionate share advance, not discussed elsewhere, and which is subject to refund is to become a proportionate participant in an existing line extension, inclusive of the refundable advance. Contracts now in effect which this applicant now becomes a proportionate participant as per Rule 9, Section A - 16 are:

Contract No. _____ Dated _____ Expiration _____ Title _____



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E. THIS AGREEMENT shall be in full force and effect when duly signed and dated by the appropriate representative of the Utility. A copy will be mailed to Applicant at Applicant's address.

THIS CONTRACT IS CONTINGENT TO PROJECTS and / or completion of PROJECTS as Listed:

| Project No. | Initiated | Title |
|-------------|-----------|-------|
|-------------|-----------|-------|

AGREEMENT

1. Definitions

In addition to other words and terms defined elsewhere in this Agreement, as used herein, the following words and terms have the following meanings respectively.

1.1 Acceptance: Acknowledgement that particular components of applicable drawings or work specifically corresponding to discrete specifications of UTILITY Standards are, to the best of Utility's knowledge, compliant with the applicable UTILITY Standards.

1.2 Adjustment: Without limitation, the addition to, alteration, relocation or removal of UTILITY facilities under this Agreement and as may be further described in Exhibit "A" and the Project. Adjustments include without limitation Betterments.

1.3 Betterment: Any deviation or upgrade in the Adjustment to an Utility facility, made primarily for the benefit and at the voluntary election of a Party, that is determined by Utility not to be in accordance with:

- i) Utility's normal design and construction practices with respect to size, type and quality of materials used that is adequate to accommodate Development's total load requirements, or
- ii) The shortest practical route deemed suitable by Utility.

1.4 Construction Allowance: The maximum amount that Utility may invest, in accordance with Rule 9, toward the Cost of Adjustments excluding Betterments and Applicant requested upgrades.

1.5 Cost or Costs: Both direct and related indirect costs attributable to performance under this Agreement.

- i) UTILITY Cost or Costs are determined in accordance with Utility's normal accounting system using procedures prescribed by the Public Utilities Commission of Nevada or the Federal Energy Regulatory Commission.
- ii) Cost or Costs include without limitation those for such things as: labor; material acquisition, handling and storage; contractors and subcontractors; third-party attachments to UTILITY facilities; administrative and general overheads; local, state and federal taxes and assessments; Allowance for Funds Used During Construction [AFUDC], and improvements to real property that are related to Utility's facilities but not directly related to electrical requirements, such as fencing and landscaping, and will be reduced by any applicable salvage value.
- iii) The application of Costs will be specified in the Agreement as an "actual" (subject to true-up), "fixed" (not subject to true-up), or "estimated."

1.6 In-Service Date: The date on which specific UTILITY facilities are released, in writing, to the jurisdiction of Utility's dispatcher.

1.7 Line Extension Project: the Utility facilities that will be added, altered, relocated or removed, as shown in Exhibit "A" Utility's design provided in accordance with section 3.1 herein.

1.8 UTILITY Standards: Utility's required design, construction, material, and testing specifications as provided in writing to Applicant and as may be subsequently revised as deemed appropriate in Utility's sole discretion.

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2. Description and Design of Line Extension Project

2.1 Utility's Conceptual Engineering Design for the Line Extension Project is provided in Exhibit "A" hereto. Exhibit "A" may be amended from time to time by Utility to reflect changes.

3. Project Cost ,Cash Advance and Refunds

3.1 **Exhibit "B"** hereto provides the components of the Costs of the said Line Extension Project. Payable by Applicant under this Agreement per the guidelines set forth in Rule 9.

3.2 Refunds: All refundable advances may not receive a 100% refund from original advance amount, refunds are based on allowances and proportionate share connections

4. Applicant's Obligations

4.1 Applicant will pay all Costs as specified in **Exhibit "B"**.

4.2 The Applicant and its agents will perform in accordance with all applicable laws, ordinances, rules, regulations, standards, and codes and must comply with Utility's Standards, the National Electric Code, the National Electric Safety Code, and all other federal, state and local requirements that may apply.

4.3 Applicant is liable to UTILITY for any damage to Utility's facilities caused by Applicant or Applicant's agents. Applicant will pay Utility all reasonable Costs incurred to repair any such damage

4.4 Applicant will pay Utility's invoices within 30 days of receipt.

4.5 Applicant understands that Utility relies on information provided by the Applicant when performing its obligations under this Agreement. Notwithstanding anything to the contrary herein, the Applicant assumes all responsibilities and liabilities for repair, replacement, modification or other work to facilities, resulting from or arising out of:

- i. Incomplete or inaccurate data and other information supplied to Utility by Applicant, or
- ii. Changes effecting the accuracy or completeness of data or information after it is supplied to Utility by Applicant; or
- iii. That were installed based on surveys or staking provided by the Applicant or Applicant's agents that are found to be located outside the recorded property rights granted for such facilities

4.6 For facilities installed by the Applicant:

- a) Applicant will allow Utility to inspect the construction or installation of such facilities for Acceptance.
- b) Applicant assumes all responsibilities and liabilities for such facilities until Utility's Acceptance, in addition to providing the guarantees in Section 6.

4.7 If Applicant fails to complete the Development, terminates or, as determined by Utility, significantly curtails or reduces electric service thereto during the depreciable life of the facilities installed under **Exhibit "A"**, then within 60 days of written notification by the Utility, the Applicant must pay reduction of service or termination charges in accordance with Section A.25 of Rule 9. .

5. Property Rights

5.1 Applicant will, without cost to UTILITY, grant, or obtain for UTILITY, all property rights, such as easements, conveyances, deeds, permits and rights-of-way, that UTILITY deems it requires for the UTILITY facilities or any portion thereof, affected under this Agreement.

5.2 UTILITY is not obligated to commence construction of any facilities until the required property rights are permanently granted to UTILITY in a manner that is satisfactory to UTILITY as to both location and form.

5.3 All facilities constructed and equipment installed by the Applicant, as defined by "**Exhibit A**" under this Agreement will become property owned, maintained, and controlled by the UTILITY upon Utility's Acceptance.

5.4 The obligations of property rights contained herein shall survive any termination of this Agreement.

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6. Guarantees

6.1 Applicant guarantees, regardless of Utility's Acceptance, all work performed and all material furnished under this Agreement against defects in materials and workmanship for a period of 1 year beginning with the In-Service Date of the applicable facilities and equipment.

6.2 UTILITY may, at its option and upon written notice to Applicant, either itself remedy or require Applicant to remedy any defect in materials or workmanship that develop during the one-year period. Should UTILITY choose to remedy such defect, Applicant will pay UTILITY all Costs incurred.

6.3 Where the Applicant has requested the Utility to install electric facilities prior to the establishment of final grade or the alignment of roads, streets, or alleys, or in unimproved areas, the Applicant shall be responsible for the relocation or modification of any electric facilities where any conflict in accordance with Section A-10 of Rule 9.

7. Defaults

7.1 If a Party ("Defaulting Party") fails to comply with the terms and conditions of this Agreement and the failure continues for 30 days after the Defaulting Party receives written notice of such failure from the other Party ("Non-Defaulting Party"), then the Non-Defaulting Party is entitled to declare the Defaulting Party in default and is entitled to all remedies authorized by law, with the exception that Utility's failure to achieve any scheduled date is not an event of default.

8. Confidentiality

8.1 The Parties may exchange information to be used in complying with the Agreement. Some or all of this information, including but not limited to, oral information, documents, files, drawings, and data, may be confidential.

8.2 Any such information that a Party wants to be treated as "Confidential Information" under this Agreement, must be labeled as confidential on each written document or designated as confidential in writing for such information exchanged orally.

8.3 Each Party shall protect all information designated as "Confidential Information" in a reasonable manner, with no fewer protections than it uses to protect its own confidential information.

8.4 Upon request by either Party, the other Party must promptly either return to the requesting Party, or certify the destruction of, all Confidential Information provided to the non-requesting Party, together with all copies and extracts.

8.5 If the disclosure of any information identified as "Confidential Information" is requested or required by any court or administrative body by either Party, then the other Party must be promptly notified and is authorized to seek a protective order preventing or limiting disclosure.

9. Force Majeure

9.1 Neither Party is liable to the other, for any delay or non-performance due solely to causes beyond the Party's control for the period that such cause exists.

a) Causes beyond a Party's control may be referred to as Force Majeure Events and include such things as: acts of God, fire, flood or other catastrophes, adverse weather conditions, material or facility shortages, the imposition of any governmental codes, ordinances, laws, rules, regulations or restrictions, national emergencies, insurrections, riots, wars, or strikes, lock-outs, work stoppages or other labor difficulties.

b) An act or omission is not deemed to be beyond a Party's control if it is:

- i. Related to any payment obligation,
- ii. Caused by normal wear and tear, or
- iii. Committed, omitted or caused by that Party, its agents, or affiliates.

9.2 If a Force Majeure Event is claimed by a Party, then that Party must:

a) Give written notice to the other Party describing the particulars of the occurrence as soon as reasonably practicable after the beginning of said occurrence.

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- b) Give the other Party adequate assurances that the suspension of performance will be of no greater scope and of no longer duration than is required by the Force Majeure Event. Such assurances must include explanation of the remedial action to be taken and the projected time period necessary to correct the Force Majeure Event.
- c) Give immediate written notice to the other Party when the Party is able to resume performance of its obligations under this Agreement.

9.3 All such notices must be accompanied with complete information sufficient to enable the Party receiving the notice to evaluate the correctness of the matters asserted therein. The failure of a Party to comply with these requirements is an event of default.

10. Representations

10.1 Applicant represents that to its knowledge as of the date of this 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 Agreement.

10.2 Each Party represents and warrants that the person executing this Agreement on its behalf has full power and authority to enter into this Agreement.

11. Precedence

11.1 This Agreement is made by Utility pursuant to its currently effective rules filed with and approved by the Commission. Those rules supersede any portion of this Agreement should a conflict arise. This Agreement is, at all times, subject to such changes or modifications by the Commission, as for the Commission may from time to time direct in the exercise of its jurisdiction.

11.2 This Agreement supersedes all prior negotiations, representations and agreements, whether oral or written, between the Parties relating to this Agreement. Any promise or representation relative to this Agreement that is not specifically set forth in this Agreement binds neither Party.

12. Miscellaneous Provisions

12.1 Indemnity: Applicant agrees to indemnify and save harmless UTILITY from any and all claims or losses that result or arise from, construction activities taken by or on behalf of the Applicant including, without limitation, trenching, conduit installation, and backfill.

12.2 Assignment: This Agreement will be binding upon the trustees, successors and assigns of both Parties effective upon receipt of written consent of the non-assigning Party, such consent not to be unreasonably withheld. Except that either Party may assign this Agreement with written notice but without the consent of the other Party, to any successor corporation in any merger or to a company which it controls, is controlled by, or is under common control with.

12.3 Limitation of Damages: Notwithstanding anything to the contrary, a Party is not liable to the other Party for any punitive, consequential, indirect, exemplary or incidental damages, including, without limitation, damages based upon lost revenues or profits. This limitation on damages shall not apply to indemnification claims pursuant to Section 12.1.

12.4 Choice of Law and Venue: This Agreement will be interpreted and enforced in accordance with Nevada law, excluding its conflict of law rules. The venue for any disputes between the Parties that are beyond the scope of the Commission's jurisdiction is any proper court located in Clark County, Nevada.

12.5 Waiver: A Party's failure to enforce any of the provisions of this Agreement or to require performance by the other Party of any of its provisions will not be construed as a waiver of such provisions, nor in any way construed to affect the validity of this Agreement or any part hereof, or the right of any Party thereafter to enforce each and every provision of the Agreement.

12.6 Independent Contractor: Each Party is not and will not be deemed to be, for any purpose, the agent, representative, contractor or employee of the other by reason of this Agreement.

12.7 Integration and Modification: If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of authorship of any of the provisions of this Agreement.

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12.8 Each Party has taken all actions as may be necessary or advisable and proper to authorize this Agreement, the execution and delivery hereof, and the consummation of transactions contemplated hereby.

13. Term And Termination

13.1 The cost estimate provided in Exhibit B to this proposal shall be firm for 90 days from the date this agreement is prepared, at which time the cost estimate will be subject to update and revision by Utility to reflect any changes in its costs since the preparation of the estimated costs. The revised estimated costs will be communicated to Applicant and shall be effective for 90 days from the date the notice of the revision is given to Applicant.

13.2 This Agreement is effective on the date signed by both Parties and will remain in effect until all obligations hereunder are satisfied unless otherwise stated Per Rule 9 section 5.

13.3 This Agreement shall commence upon the signing of the UTILITY and shall terminate without further notice five (5) years from execution date. Applicant shall not be entitled to any refunds or moneys after the termination of this Agreement per Rule 9 section 4.

13.4 Any default, expiration, or termination of this Agreement does not release a Party from any liability or obligation to the other Party for:

- a) Utility's claims based on Applicant's Section 4.5 obligations;
- b) Payment of reduction of service or termination charges in accordance with Section 4.7.
- c) Any indemnification claim that arises pursuant to Section 12.1;
- d) Payment of any amounts due prior to or resulting from termination.

14. Notices

14.1 All written notices, payments, or other official correspondence related to this Agreement may be sent by any method with the exception that notices of default in accordance with Section 7 must be sent using a method that provides documentation of delivery. Notices are effective and deemed to have been received as documented by the method of delivery, upon presentation if hand-delivered, or on the third business day following deposit for transmittal for any delivery method that does not provide documentation of delivery.

14.2 The Parties will send all written notices required in this Agreement to the addresses stated below, which may be revised at any time by providing written notice to the other Party of such change.



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| | UTILITY | Applicant |
|---------------------|---|--|
| Address | 6226 W. Sahara Ave. Las Vegas, NV 89146 | 10000 W Charleston Bl. Suite #130 LAS VEGAS, NV 89135 |
| Mailing Address | NORTH DISTRICT OFFICE 2215 E.LONE MOUNTAIN RD LAS VEGAS, NV 89031 | |
| | MS: 10 | |
| Tax ID # | | TAX ID # |
| Project Coordinator | JAKE DEGUZMAN | |
| Telephone | 702/657-4337 | |
| Cellular Telephone | | |
| FAX | | |
| Email Address | jdeguzman@nevpc.com | |

IN WITNESS WHEREOF, the Parties hereto execute this Agreement as of the date set forth above.

NEVADA POWER COMPANY

CITY OF LAS VEGAS

By: _____

By: _____

Name: RINLY MOOLAKATT

Name: _____

Title: Mngr, Distribution Design, New Business LVN

Representing: _____

Date: _____

Title: _____

Date: _____

APPROVED AS TO FORM


Thomas R. Green Date
Deputy City Attorney