

DISTRIBUTION ONLY SERVICE RIDER
SCHEDULE DOS

Service Agreement
Agreement Number: DOS-CITY1

This Service Agreement together with all of the attachments and exhibits (the "Agreement") is made and entered into as of this 15th day of July, 2009, by and among the City of Las Vegas, an entity to whom the Colorado River Commission of Nevada ("CRC") may sell electricity and provide transmission service or distribution service or both pursuant to NRS 704.787 ("Customer" or "End-Use Customer"), the Colorado River Commission of Nevada ("CRC"), an agency created by and existing pursuant to state law, and Nevada Power Company, d/b/a NV Energy ("Utility" or "Company"), a corporation organized and existing under the laws of the state of Nevada. From time to time, the CRC, Customer and the Utility shall be individually referred to herein as a "Party" and collectively as the "Parties".

Section 1:
General Description of Agreement

- 1.1 This Agreement is a legally binding contract. The Parties named in this Agreement are bound by the terms set forth herein and otherwise incorporated herein by reference. This Agreement shall govern the business relationship among the Parties hereto by which the Customer shall receive Distribution-only Service and any other services that may be required concomitant to Distribution-only Service as described by the Utility's Tariffs on file with and approved by the Public Utilities Commission of Nevada ("Commission" or "PUCN"). This Agreement also relieves the Utility of the obligation to provide energy and capacity to the accounts listed in Exhibit A, attached hereto. This Agreement does not govern transmission service that may be provided pursuant to rules and regulations established within the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). Except where explicitly defined herein, the definitions controlling this Agreement are contained in Rule 1 of the Utility's Tariffs.
- 1.2 The form of this Agreement has been developed for use by the Parties and may not be waived, altered, amended or modified, except as provided herein or in the Utility's tariffs.
- 1.3 Exhibit A, attached hereto and made a part of this Agreement by reference, lists Points of Delivery at which the Customer intends to discontinue the receipt of electric service by Nevada Power and commence the provision of electric service by CRC. Modifications to Exhibit A shall be made as set forth in Section 26, below. Although the Utility has attempted to ensure that Exhibit A is complete, the Utility has no obligation to the CRC or the Customer as to its accuracy.

Section 2:
Representations

- 2.1 Each Party represents that it is and shall remain in compliance with all applicable laws and Tariffs. All of the provisions of the Utility's Tariffs are hereby incorporated by reference into this Agreement.

- 2.2 Each person executing this Agreement for the respective Parties expressly represents and warrants that he or she has authority to bind the entity on whose behalf this Agreement is executed.
- 2.3 Each Party represents that (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate officers or personnel; and (c) this agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- 2.4 Each Party shall (a) exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement; and (b) carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.

Section 3:
Term of Service

- 3.1 The term of this Agreement shall commence on the date of execution by the Parties hereto (the Effective Date") and shall continue to be in effect until Distribution-only Service is permanently terminated as set forth in the Utility's Tariffs. The Customer shall request termination of service in accordance with Rule 3 of the Utility's Tariffs. Notwithstanding the Effective Date, service hereunder shall not be available until the Customer has complied with the applicable terms of the Utility's Tariffs including, without limitation, the payment provisions of Rule 5.

Section 4:
Transmission Service Obligations

- 4.1 The End-Use Customer(s), CRC and its Scheduling Coordinator (SC) agree to comply with all of the applicable provisions of the Utility's Open Access Transmission Tariff (OATT) on file with the Federal Energy Regulatory Commission (FERC).
- 4.2 The End-Use Customer(s), CRC and its Scheduling Coordinator (SC) must execute the appropriate Transmission Service Agreement(s) to ensure required transmission service is available to serve the Points of Delivery indicated on Exhibit A. These agreements will be filed with the FERC and must be accepted by the FERC before the End-Use Customer can commence taking Distribution-only Service.

Section 5
Notice of Commencement of Service

- 5.1 CRC and the Customer agree to provide the Utility with formal written notice confirming the departure date of the Customer at least 60 days prior to the date of departure so that the Utility may fully prepare for the departure.
- 5.2 CRC and the Customer acknowledge that in the event that the transmission and distribution agreements have been approved by the appropriate regulatory agency and the Customer does not depart on the scheduled day or departs for any period of time and returns to the service of the Utility, the Customer agrees to pay the Utility the incremental cost of serving the Customer. The Utility agrees to petition the Commission

to amend the Incremental Pricing Tariff currently in place for customers of Nevada Power Company to include the eligible Customers.

Section 6
Determination of Economic Impact

- 6.1 CRC and the Customer agree that the estimated impact of the Customer's departure to the Utility is \$2,396,000 as shown in Exhibit C. The Utility reserves the right to update the economic impact analysis upon receiving Section 5 notice of departure. In addition if the Customer requests modification pursuant to Section 26, an economic impact analysis will be performed utilizing similar methodology as shown in Exhibit C. If the analysis anticipates a net benefit, no impact charge will be required. If the analysis reflects a net cost, an impact charge will be required. CRC and the Customer agree that the impact charge payment will be made in a single payment.
- 6.2 CRC and the Customer acknowledge that if the Customer's departure occurs later than 30 days after the date provided to the Utility pursuant to Section 5.1, the Utility may at its sole discretion, recalculate the economic impact to the Utility of the Customer's departure. The Customer agrees to be responsible for any increase in the amount of the economic impact that results from the delayed departure as outlined in this Section.

Section 7
Collection of Fees, Taxes and Assessments

- 7.1 CRC and the Customer acknowledge that once the Customer departs, the Utility will only collect the annual assessment levied pursuant to NRS 704.033 and any other fees or taxes associated with the provision of distribution service only to the Customer and that all other fees, assessments, taxes or charges of any kind that may be owed by CRC or the Customer become the responsibility of CRC or the Customer both in terms of collection and remittance. Neither CRC nor Customer shall be responsible to pay a Universal Energy Charge.

Section 8
Payment of Deferred Energy Balance

- 8.1 CRC and the Customer acknowledge that Exhibit C provides the Customer with an estimate of the Customer's load ratio share that is in the deferred energy account of the Utility that has been authorized for recovery by the Commission through the actual date of the Customer's departure. The Customer agrees that it will pay its load ratio share of the balance that is in the deferred energy account of Nevada Power including carrying charges, at Nevada Power's authorized carrying charge rate for deferred balances in said docket. The Customer agrees that it will pay this obligation, plus carrying charges in a lump sum no later than its departure date or other date mutually agreeable to Nevada Power. If the Customer requests a modification or amendment to the Agreement, pursuant to Section 26, Exhibit C shall be modified to include any associated deferred energy balances attributed to the Customer as a result of the requested modification or amendment.
- 8.2 Alternatively, the Customer may elect no later than 30 days prior to commencement of service from the CRC, to pay the deferred energy obligation in equal monthly installments over the same time frame that remaining customers are allowed to pay their

share of the deferred energy obligation. Such payment methodology shall include monthly payment amounts and any other terms such as late charges or financial security requirements that Nevada Power proposes to apply to the deferred energy payments. If the Customer elects to pay the deferred energy obligation over time, at any time during the period of payments, the Customer may decide to pay its remaining balance in a lump sum. Upon the Customer's request, Nevada Power will calculate and provide to the Customer the projected remaining deferred energy balance as of the Customer's desired lump sum payment date. In the event that an order from the PUCN changes the deferred energy account balance for any period, the remaining payments will be adjusted to reflect any changes to the amount due from the Customer.

Section 9
Legal and Regulatory Proceedings

- 9.1 CRC and the Customer acknowledge that there are a number of legal and regulatory proceedings and contingencies that have been formally initiated or that will be initiated in the future by any number of entities, including but not limited to parties who have standing in past, ongoing or future legal and regulatory proceedings and power suppliers and marketers. CRC and the Customer further acknowledge that these proceedings and contingencies may affect the Utility's customers and the ability to collect additional revenues from these customers or reduce the amount of revenue collected from these customers. The Customer agrees to be fully accountable for their load ratio share of any decision, order or directive that requires that additional revenue be collected from customers, provided that at the time that the obligation that is the subject of the decision, order or directive was entered into, the Customer was a full requirements customer of the Utility. The Utility agrees that any decision, order or directive of any kind that requires a reduction in the amount of revenues being collected from the Utility's customers, will be fully refunded to Customer provided that the obligation that is the subject of the decision, order or directive was entered into during the time that the Customer was a full requirements customer of the Utility.

Section 10:
Events of Default and Remedy for Default

- 10.1 An event of default under this Agreement shall include a Party's material breach of any provision of this Agreement, including those incorporated by reference herein. Any default of this Agreement shall be reduced to writing by the non-defaulting Party or Parties and referred to the defaulting Party's or Parties' representatives indicated in Section 19. Disputes regarding the default shall be handled as set forth in Section 21. Any Party or Parties determined to be in default shall commence cure of the breach of the Agreement within ten (10) calendar days of receipt of written notice thereof from the non-defaulting Party or Parties or within ten (10) calendar days of resolution of the dispute under Section 21. The defaulting Party or Parties shall cure the default within fifteen (15) days thereafter. If the nature of the default is such that the default is not reasonably susceptible to being resolved within the 15 days, the defaulting Party or Parties and the non-defaulting Party or Parties shall agree to an additional number of days that the defaulting Party or Parties will have to cure. If there is no dispute as to the default, the defaulting Party or Parties shall commence cure of such default as soon as is reasonably practical but in no event later than 15 days after receipt of the written notice of default.

- 10.2 In the event of such an event of default, the non-defaulting Party or Parties shall be entitled (a) to exercise any and all remedies available under the Utility's Tariffs; (b) to the extent not inconsistent with the Utility's Tariffs, to exercise any and all remedies provided for by law or in equity; and (c) in the event of a event of default, to terminate this Agreement upon written notice to the other Party or Parties, which shall be effective upon the receipt thereof.
- 10.3 Breach by any Party or Parties hereto of any provision of the Utility's Tariffs shall be governed by applicable provisions contained therein and each Party or Parties will retain all rights granted thereunder.

Section 11:
Billing, Metering and Payment

- 11.1 The Utility will bill the Customer and provide a copy to CRC. The Customer agrees to pay the Utility for all services and products provided by the Utility in accordance with the terms and conditions set forth in the Utility's Tariffs. In addition, the Customer agrees to pay for any and all charges that they are currently paying the Utility as set forth in previously executed agreements between the Utility and the Customer. At the request of the Customer, alternative-billing arrangements can be made if agreeable to all Parties. Such arrangements, which may include billing a third party, will not relieve the Customer of its obligation to pay the Utility for all services and products provided by the Utility.
- 11.2 Prior to the taking of service hereunder, an appropriate Interval Meter owned by the Utility shall be installed at each Point of Delivery listed at Exhibit A. Point of Delivery is defined as the point where the wires or apparatus owned, leased, or under license by the Customer come in contact with the Utility's wires notwithstanding the fact that metering and under certain conditions, transforming may or may not take place beyond (on the Customer's side of) that point. In the absence of such an Interval Meter, installation shall be as set forth in Rule 16 of the Utility's Tariffs and as agreed to by the CRC, the Customer and the Utility in the Implementation Plan attached hereto as Exhibit B.
- 11.3 The Utility shall require a non-refundable advance as set forth in Rule 9 of the Utility's Tariffs and the Customer shall meet the financial requirements set forth in the Implementation Plan attached hereto as Exhibit B for the estimated costs of making any changes to its facilities, including new Interval Meter installations, necessary to affect the provisions of this Agreement. Any advance made pursuant to Rule 9 of the Utility's Tariffs shall be subject to a tax gross-up, if applicable, as set forth in NAC 704.6532 and Rule 9 of the Utility's Tariffs.
- 11.4 The Customer shall be required to pay any costs determined that result from the implementation of the Customer's request to commence electric service with CRC. Such costs shall be paid in the term and manner set forth by the Utility. Such costs shall include the Customer's load-ratio share of the deferred energy balance as of the effective date of this Agreement and calculated in a manner consistent with Section 8 and the methodology contained in Exhibit C, attached hereto. In addition, the Customer shall be responsible for all costs associated with the Customer impact charge in Section 6, the long-term purchase power contracts, costs associated with legal and regulatory

contingencies and the non-customer specific costs to implement the transaction. If the Customer elects to pay their load-ratio share of the deferred energy balance or the impact charge over time, the Customer must meet the financial security requirements specified by the Utility to secure the unpaid balances as set forth in Exhibit C.

- 11.5 The Customer is responsible to provide the Utility with accurate and consistent billing and operational data from its communications system. Unless otherwise mutually agreed, if failure occurs with operational data from its communications system, the Customer agrees to respond to the problem within 2 hours and repair such failure within 24 hours. Unless otherwise mutually agreed, if failure occurs with billing data from its communications system, the Customer agrees to repair such failure within 5 days. If missing or corrupted operational or billing data is experienced on a recurring basis, the Utility reserves the right to require the Customer to revamp or install a new communications system that meets the Utility's requirements. Upon written notice from the Utility, such system changes will be installed in a timely manner not to exceed 180 days at the Customer's sole cost.
- 11.6 The Utility shall provide the CRC with billing-quality meter data, if so requested, in a timely manner, but in no event later than ten (10) days following the request and the Utility's monthly meter read schedule. The meter data will be provided electronically in a format that is mutually agreeable to the Parties and consistent with industry standards.
- 11.7 The Customer has identified the CRC as its billing agent. The Customer is financially responsible for all costs that it or its billing agent fails to timely remit under the terms and conditions of this Agreement. The Utility agrees to provide the billing agent and the Customer with written notice of the failure of the billing agent to timely remit any payment under this Agreement. Failure of the billing agent or the Customer to pay any of the costs associated with this Agreement shall constitute a material breach of this Agreement and accordingly, an event of default and shall be subject to the provisions of Section 10 of this Agreement and entitle the Utility to all of the remedies available under this Agreement and the Utility's Tariffs.
- 11.8 In the course of receiving distribution service from the Utility, it may become necessary for either the CRC or the Customer to request the Utility provide a one-time service such as those described in the Utility's Schedule MC, or to perform an installation of facilities under a Utility job order on behalf of the Customer. In these cases, the Customer is responsible for paying the costs of such activities, unless the CRC provides an advance for the work. Such work performed by the Utility shall be in accordance with the Utility's Tariffs.

Section 12:
Limitation of Liability

- 12.1 Each Party's liability to the other Party or Parties for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred, including attorneys' fees, except as provided for in this Section. In no event shall any Party or Parties be liable to the other Party or Parties for any lost profits, lost or damaged product or data, business interruption damages, incidental, exemplary, indirect, special, consequential, or punitive damages of any kind

whatsoever, whether in contract, tort or strict liability, except in the event of an action covered by the Indemnification provisions of Section 13 of this Agreement, in which event this Section 12 shall not be applicable. This limitation of liability includes errors and omissions in electronic transmission or receipt of electronic documents.

Section 13:
Indemnification

- 13.1 To the fullest extent permitted by law, each Party or Parties (the "Indemnifying Party") shall indemnify and hold harmless, the other Party or Parties, and its current and future direct and indirect parent companies, affiliates and their shareholders, officers, directors, employees, agents, servants and assigns (collectively, the "Indemnified Party") and at the Indemnified Party's option, the Indemnifying Party shall defend the Indemnified Party from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including, but not limited to, the Indemnified Party's employees and its affiliates' employees, subcontractors and subcontractors' employees, or any other liability incurred by the Indemnified Party, including reasonable expenses, legal and otherwise, which shall include reasonable attorneys' fees, caused wholly or in part by any negligent, grossly negligent or willful act or omission by the Indemnifying Party, its officers, directors, employees, agents or assigns arising out of this Agreement except to the extent caused wholly or in part by any negligent, grossly negligent or willful act or omission of the Indemnified Party.
- 13.2 If any claim covered by Section 13.1 is brought against the Indemnified Party, then the Indemnifying Party shall be entitled to participate in, and unless in the opinion of counsel for the Indemnified Party a conflict of interest between the Parties may exist with respect to such claim, assume the defense of such claim, with counsel reasonably acceptable to the Indemnified Party. If the Indemnifying Party does not assume the defense of the Indemnified Party, or if a conflict precludes the Indemnifying Party from assuming the defense, then the Indemnifying Party shall reimburse the Indemnified Party on a monthly basis for the Indemnified Party's defense through separate counsel of the Indemnified Party's choice. Even if the Indemnifying Party assumes the defense of the Indemnified Party with acceptable counsel, the Indemnified Party, at its sole option, may participate in the defense, at its own expense, with counsel of its own choice without relieving the Indemnifying Party of any of its obligations hereunder.
- 13.3 The Indemnifying Party's obligation to indemnify under this Section 13 shall survive termination of this Agreement, in accordance with legally prescribed statute of limitations, but shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Indemnifying Party under any statutory scheme, including, without limitation, under any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

Section 14:
Assignment and Delegation

- 14.1 No Party to this Agreement shall assign any of its rights or obligations under this Agreement, except with the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit of

the assignee and the assignor shall be relieved of its rights and obligations. Any assignment in violation of this Section 14 shall be void.

- 14.2 Notwithstanding the provisions of this Section 14, any Party may subcontract its duties under this Agreement to a subcontractor, provided that the subcontracting Party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, shall serve as the point of contact between its subcontractor and the other Parties, and shall provide the other Parties with thirty (30) calendar days' prior written notice of any such subcontracting, which notice shall include such information about the subcontractor as the other Parties shall reasonably require, and provided further that any Party may subcontract its obligation to provide service under this Agreement only to subcontractors who have complied with all licensing requirements described in applicable law, Commission rules and the Utility's Tariffs. If any Party subcontracts any of its duties hereunder, it shall cause its subcontractors to perform in a manner, which is in conformity with that Party's obligations under this Agreement.

Section 15:
Independent Contractors

- 15.1 Each Party shall perform its obligations under this Agreement (including any obligations performed by a Party's designees as permitted under Section 14 of this Agreement) as an independent contractor.

Section 16:
Entire Agreement

- 16.1 This Agreement consists of, in its entirety, the Service Rider, the Service Agreement and all attachments and exhibits hereto and the Utility's Tariffs. This Agreement supersedes all other agreements or understandings, written or oral, between the Parties related to the provision of distribution-only service. This Agreement may be modified from time to time only by an instrument in writing, signed by both Parties, to the extent allowed by the Commission.

Section 17:
Non-Disclosure

- 17.1 No Party may disclose any Confidential Information obtained pursuant to this Agreement or pursuant to the process by which the Customer was made eligible to receive service hereunder, including affiliates of such Party, without the expressed prior written consent of the other Parties. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the Parties, customers of the Parties, suppliers for the Parties, personnel of the Parties, any trade secrets, and other information of a similar nature, whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Confidential information shall not include information known to the Parties prior to obtaining the same from another Party, information in the public domain, or information obtained by a Party from a third party who did not, directly or indirectly, receive the same from another Party to this Agreement or from a Party who was under an obligation of confidentiality to the other Party to this Agreement or information developed by a Party independent of any Confidential Information. The receiving Party shall use the standard of care that the receiving Party uses to preserve its own confidential information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Each receiving Party shall, upon termination of this Agreement

or at any time upon the request of the disclosing Party, promptly return or destroy all Confidential Information of the disclosing Party then in its possession.

- 17.2 Notwithstanding the preceding, Confidential Information may be disclosed as required by NRS Chapter 239 and to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other Parties are given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunctive relief to prohibit such disclosure. This Agreement shall not be considered to be confidential under this section.

Section 18:
Enforceability

- 18.1 If any provision of this Agreement or the application thereof, is to any extent held invalid or unenforceable, the remainder of this Agreement and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

Section 19:
Notices

- 19.1 Except as otherwise provided in this Agreement or the Utility's Tariffs, any notices under this Agreement shall be in writing and shall be effective upon delivery if delivered by (a) hand; (b) U.S. Mail, first class postage pre-paid; (c) electronic mail; or (d) facsimile, with confirmation of receipt to the Parties as follows:

If the notice is to Customer, City of Las Vegas

John Bettencourt
Engineering Project Manager
City of Las Vegas WPCF
6005 E. Vegas Valley Dr.
Las Vegas, NV 89142
Tel. 702-229-6560
Fax. 702-431-7611
E-mail jbettencourt@LasVegasNevada.GOV

If the notice is to CRC

Gail Bates
Manager, CRC Energy Services
Colorado River Commission of Nevada
555 E. Washington Ave. Suite 3100
Las Vegas, NV 89101
Tel. 702-691-5228

Fax. 702-691-5222
E-mail gbates@crc.nv.gov

If the notice is to the Utility:

Jeff Ceccarelli
Vice President Service Delivery & Operations
6226 West Sahara Avenue, Las Vegas NV 89146
Telephone: 702-402-5670
Facsimile: 702-402-5869
E-mail: JCeccarelli@nvenergy.com

David Norris
Associate General Counsel
6100 Neil Road, Reno NV 89520
Telephone: 775-834-5696
Facsimile: 775-834-4098
E-mail: dnorris@nvenergy.com

- 19.2 Each Party shall be entitled to specify as its proper address any other address in the United States upon written notice to the other Parties.
- 19.3 Each Party shall designate the person(s) to be contacted with respect to specific operational matters relating to utility service. Each Party shall be entitled to specify any change to such person(s) upon written notice to the other Parties.
Contact for Specific Operational Matters:

Customer, City of Las Vegas
John Bettencourt
Engineering Project Manager
City of Las Vegas WPCF
6005 E. Vegas Valley Dr.
Las Vegas, NV 89142
Tel. 702-229-6560
Fax. 702-431-7611
E-mail jbettencourt@LasVegasNevada.GOV

CRC:

Bob Reese
Assistant Director, Engineering & Operations
Colorado River Commission of Nevada
555 E. Washington Ave, Suite 3100
Las Vegas, NV 89101
Tel. 702-486-2687
Cell. 702-682-6972
Fax. 702-486-2695
E-mail. breese@crc.nv.gov

Utility: Manny Oroceo
Major Account Executive
Nevada Power Company

6226 W. Sahara Ave M/S 29
Tel: 702-402-5431
Cell: 702 521-5431
Fax: 702 402-5452
E-mail. moroceo@nvenergy.com

Section 20:
Time of Essence

- 20.1 The Parties expressly agree that time is of the essence for all portions of this Agreement.

Section 21:
Dispute Resolution

- 21.1 Except as provided in Section 21.2, any dispute arising between the Parties relating to interpretation of the provisions of this Agreement or to the performance of the Parties obligations hereunder shall be reduced to writing and referred to the Parties' representatives identified in Section 19 for resolution. Should such a dispute arise, the Parties shall be required to meet and confer in an effort to resolve their dispute. Pending resolution, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement, except if this Agreement has been terminated under Section 10.2.
- 21.2 If the Parties fail to reach an agreement within a reasonable period of time but in no event later than fifteen (15) days following the meet and confer set forth in Section 21.1, the Parties may mutually agree to pursue mediation or arbitration to resolve such issues. If the Parties fail to reach an agreement through mediation or arbitration within a reasonable period of time, any Party may pursue an action for other remedies. The prevailing Party, as determined by a court of law, or as may otherwise be determined by the dispute resolution procedure contained in Section 21 hereof, if used, shall be entitled to reasonable attorneys' fees and costs.

Section 22:
Applicable Law and Venue

- 22.1 This Agreement shall be interpreted, governed by and construed in accordance with the laws of the State of Nevada, and shall exclude any choice of law rules that direct the application of the laws of another jurisdiction, irrespective of the place of execution or of the order in which the signatures of the parties are affixed or of the place or places of performance. The federal and state courts located in Nevada shall constitute the sole proper venue for resolution of any matter or dispute hereunder, and the Parties submit to the exclusive jurisdiction of such courts with respect to such matters and disputes.

Section 23:
Force Majeure

- 23.1 No Party shall be liable for any delay or failure in the performance of any part of this Agreement (other than obligations to pay money) due to any event of force majeure or other cause beyond its reasonable control, including but not limited to unusually severe weather except for temperature extremes, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil

disturbance, strike, work stoppage caused by jurisdictional and similar disputes, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, which by the exercise of due diligence and foresight a Party could not reasonably have been expected to avoid and which by the exercise of due diligence is unable to overcome. It is agreed that upon the Party so affected giving written notice and reasonably full particulars of such force majeure to the other Parties within a reasonable time after the cause relied on, then the obligations of the Party, so far as they are affected by the event of force majeure, shall be suspended during the continuation of such inability and circumstance and shall, so far as possible, be remedied with all reasonable dispatch. In the event of force majeure, as described herein, both Parties shall take all reasonable steps to comply with this Agreement and Utility's Tariffs despite occurrence of a force majeure event. In no event will the financial hardship of either Party constitute an event of force majeure.

Section 24:
Not a Joint Venture

- 24.1 Unless specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be severable and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, or partnership or be a joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be liable individually and severally for its own obligations under this Agreement.

Section 25:
Conflict Between this Agreement and the Utility's Tariffs

- 25.1 Should a conflict exist or develop between the provisions of this Agreement and the Utility's Tariffs, the provisions of the Utility's Tariffs if applicable shall prevail.

Section 26:
Amendments or Modifications

- 26.1 Except as provided in Section 26.2, no amendment or modification shall be made to this Agreement, in whole or in part, except by an instrument in writing executed by authorized representatives of the Parties, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.
- 26.2 The Parties may amend the Agreement. In the event the Parties are unable to agree on the required changes or modifications to this Agreement, their dispute shall be resolved in accordance with the provisions of Section 21 hereof or, in the alternative, the Customer may elect to terminate this Agreement upon written notice to Utility, which shall be effective upon meeting the applicable rules and regulations contained in the Utility's Tariffs. The Utility retains the right to unilaterally file with the Public Utilities Commission of Nevada, an application for a change in the Utility's rates, charges, classification, service, principles, or any agreement relating thereto. Customer retains the right to intervene in support of or in opposition to any such application.
- 26.3 If the Customer is purchasing energy, capacity or ancillary services from CRC for the Points of Delivery listed in Exhibit A, the Customer or the CRC may modify Exhibit A with a new Exhibit A by removing the Points of Delivery and advising the Utility that the

Customer desires the Utility to continue to provide energy, capacity and ancillary services to these Points of Delivery as set forth in Rule 3 of the Utility's Tariffs. Such an amendment will become effective after presentation to the Utility, as set forth in Rule 3 of the Utility's Tariffs. If the Customer later elects to have CRC supply energy, capacity or ancillary services to the Points of Delivery that have previously been removed, the Customer must notify the Utility 60 days prior to the date that the Customer intends to commence taking service from the CRC, in order to allow the Utility to conduct a full evaluation of the cost to add the additional Points of Delivery. The Customer may also amend Exhibit A to add additional Points of Delivery not previously included in Exhibit A, provided the Customer provides the Utility with 120 days notice of its intent to do so. In addition, the Customer must show the Utility that it has met all applicable requirements of the applicable law, regulations and Utility tariffs with respect to the Customer's taking of service hereunder. Within 20 days of notice of intent to add additional Points of Delivery, the Utility will schedule a meeting with CRC and Customer to jointly develop a revised Exhibit B Implementation Plan for the additional points of delivery. Such plan shall also address the schedule for modification of Exhibit C to this agreement. The commencement date for service from the CRC for each individual Point of Delivery will be as reflected in Exhibit B. The Utility, CRC and the Customer will use reasonable efforts to insure that the implementation schedule in Exhibit B is adhered to. Any changes or modifications to Exhibit B must be completed in writing and be mutually agreed to by the CRC, the Customer and the Utility.

Section 27:
Electronic Data Interchange

- 27.1 Each Party may electronically transmit to or receive documents from the other Party. All electronic documents shall be transmitted in accordance with industry-accepted standards. The receiver of an electronic document that does not conform to the standards and guidelines industry accepted shall promptly notify the initiating party of the nonconformance.
- 27.2 Each Party, at its own expense, shall provide and maintain the equipment, software, services and testing necessary to transmit and receive electronic documents reliably and consistent with industry accepted standards.
- 27.3 A Party shall not be deemed to have received an electronic document until the receiving Party can access the electronic document at its receipt computer.
- 27.4 If a transmitted electronic document is received in an unintelligible garbled or incomplete form, the receiving Party shall promptly notify the originating Party (if the originating Party can be identified from the received electronic document in a reasonable manner. In the absence of such a notice, the originating Party's records of the contents of the electronic document shall control, unless the identity of the originating Party cannot be determined from the transmitted electronic document.

Section 28:
Audits

- 28.1 The Utility, CRC and the Customer shall each retain such specific records as may be required to support the accuracy of billing provided in their respective billings. When any

Party reasonably believes that errors related to metering or billing activity may have occurred, a Party may request the production of such documents as may be required to verify the accuracy of such metering and consolidated billing (if available). Such documents shall be provided within ten (10) business days of such request. In the event the requesting Party, upon review of such documents, continues to believe that the other Party's duty to accurately meter and provide consolidated billing (if available) for usage has been breached, the requesting Party may direct that an audit be conducted. The Utility, CRC and the Customer shall designate their own employee representative or their contracted representative to audit the other Party's records.

- 28.2 Any such audit shall be undertaken by the Utility, CRC and the Customer, or their contracted representative at reasonable times without interference with the audited Party's business operations, and in compliance with the audited Party's security procedures. The Utility, CRC and the Customer agree to cooperate fully with any such audit.
- 28.3 Specific records to support the accuracy of billing data may require examination of billing and metering support documentation maintained by subcontractors. The Utility, CRC and the Customer are obligated to attempt to negotiate a similar clause in their agreements with their subcontractors reserving the right to designate their own employee representative, or their contracted representative to audit records.
- 28.4 The auditing Party will notify the audited Party in writing of any exception taken as a result of an audit. The audited Party shall refund the amount of any undisputed exception to the auditing Party within ten (10) days. If the audited Party fails to make such payment, the audited Party agrees to pay interest, accruing monthly, at a rate equal to the amount set forth in NRS 704.655. Interest will be computed from the date of written notification of exceptions to the date the audited Party reimburses the auditing Party for any exception. The cost of such audit shall be paid by the auditing Party; provided, however, that in the event an audit verifies overcharges of five percent (5%) or more, then the audited Party shall reimburse the auditing Party for the cost of the audit.
- 28.5 This right to audit shall extend for a period of three (3) years following the date of final payment under this Agreement. Each party and each subcontractor shall retain all necessary records and documentation for the entire length of this audit period.

Section 29:
Miscellaneous

- 29.1 Unless otherwise stated in this Agreement: (a) any reference in this Agreement to a section, subsection, exhibit, attachment or similar term refers to the provisions of this Agreement; (b) a reference to a section includes that section and its subsections; and (c) the words "include," "includes," and "including" when used in this Agreement shall be deemed in each case to be followed by the words "without limitations." The Parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.
- 29.2 The provisions of this Agreement are for the benefit of the Parties and not for any other person or third party beneficiary. The provisions of this Agreement shall not impart

rights enforceable by any person, firm or organization other than a Party or a successor or assignee of a Party to this Agreement.

- 29.3 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.
- 29.4 Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter and no waiver shall be considered effective unless in writing.
- 29.5 Except as otherwise provided in this Agreement, all rights of termination, cancellation or other remedies in this Agreement are cumulative. Use of any remedy shall not preclude any other remedy in this Agreement.
- 29.6 Nothing in this Agreement alters in any manner the terms and conditions of the existing Rule 9 agreements executed by and between the Customer and the Utility .
- 29.7 The Parties have executed this Agreement on the dates indicated below, to be effective upon the later date.

On Behalf of End-Use Customer, City of Las Vegas

By: 
Oscar B. Goodman
Mayor

Date: 7-15-2009

Attest: By 
BEVERLY K. BRIDGES, CMC, City Clerk

Approved as to form

 6/12/09
John S. Ridilla Date
Deputy City Attorney

On Behalf of CRC

By: 
George Caan
Executive Director

Date: 6/10/09

On Behalf of Utility

By: 
Robert Stewart
Sr. Vice President, Customer Relationship

Date: 8/25/09

Distribution-Only Service Rider
SCHEDULE DOS

Exhibit A
Service Agreement No.: DOS-CITY1
Implementation Date: September 1, 2009

List of Points of Delivery Receiving Distribution-Only Service

Physical Location of the Point of Delivery	Utility Account No.	Name and Billing Address For All Accounts
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1427682	Colorado River Commission of Nevada Attn: Accounts Payable 555 E. Washington Ave. Suite 3100 Las Vegas, NV 89101
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1056210	
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1518600	
3271 N. Durango Las Vegas, NV 89129	1000901-181348	
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1518597	
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1518683	
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1518598	
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1518599	
6005 E. Vegas Valley Dr. Las Vegas, NV 89142	1000901-1869292	

Distribution-Only Service Rider
SCHEDULE DOS

Exhibit B
Service Agreement No.: DOS-CITY1
Implementation Date: September 1, 2009
Metering and Telecommunications Implementation Plan

This plan provides general terms and conditions regarding the implementation of metering and communications for those customers that are authorized by NRS 704.787 to procure certain electricity services from the Colorado River Commission of Nevada rather than the Utility. "Customer" as used in this document shall refer to the City of Las Vegas. Specific Customer accounts by site are listed on Exhibit A of the Distribution Only Service Agreement.

1. General Utility Responsibilities: The Utility will be responsible for: overall project management; custody, operations and maintenance of all revenue meters; operations and maintenance of any leased communications links necessary between the Customer's site and NPC facilities; and operations and maintenance of all transmission provider dispatch center software and hardware.
2. General Customer Responsibilities: The Customer will be responsible for: all Customer specific costs of equipment, on-site drafting services, hardware, and software to provide real time load monitoring; procurement of leased communication services if required; installation and maintenance of on-site conduits, wiring (including fiber optic cables) and other appurtenant facilities between meters and onsite communications equipment (such as PBX room).
3. Standards and Designs: The Customer agrees to meet or exceed requirements specified in the current Utility standards in effect at the time of construction. The Utility agrees to provide the Customer with signal quality requirements on a site-by-site basis. Once site departure date is fixed, no deviations from the signal quality requirements will be forthcoming from the Utility for that particular Customer site.
4. Site Specific Communications Links: The Customer acknowledges that in such cases where leased communications services are necessary, the Customer will procure such leased services. The Utility will maintain such services and communications links. The Utility will pass on any associated monthly operating costs to the Customer for this service. Such communication link costs are separate and distinct from the Distribution Only Service charges collected under the applicable PUCN approved Tariff sheets. Ongoing monthly operating costs, specific to such communication links, are expected for lease line service from Nevada Power Company. Monthly operating costs may be changed after 30 days notice to Customer. With notice of change in monthly operating cost, the Utility will provide justification of such change.

5. Specific Site Plans: For each site in Exhibit A, the Customer, the CRC, and the Utility will jointly develop an individual site plan. Such plan will include a site design; equipment specifications; anticipated timelines and milestones for each party; cost estimates; a coordination meeting schedule; and any other details deemed necessary by the Parties. The Customer acknowledges that while the Utility will undertake this Implementation Plan in a timely manner, the work can be anticipated to take between 120 and 180 days to complete at any given specific site. The Customer and the Utility may agree to phase in the implementation at multiple sites over a period of several months. The Customer acknowledges that the anticipated timelines in the individual site plans will be provided as an accommodation to the Customer, and will not constitute any warranty, assurance, or guarantee. Each Party remains responsible for any losses, claims, costs, or damages associated with their responsibilities as set forth in Sections 1 and 2 of this Plan.
6. Cost Responsibility: The Customer will be responsible for all on-site metering, communications, and related equipment in order to implement the real time load monitoring and revenue quality metering requirements. These costs include, but are not limited to; real time revenue quality meter purchases, Nevada Power Company design and engineering costs, procurement and installation of all communications equipment and installation and monthly operating expenses of required communications links, all site specific conduits and power supply requirements, any and all tax liabilities incurred as a result of installing these facilities and related equipment. These costs may include overtime labor dollars, materials expediting charges, project management fees, and overhead. In addition, costs incurred for repairs and/or replacement of equipment associated with telecommunication facilities for dial-up meter reading and real-time operations shall not be the responsibility of the Utility unless the repair and/or replacement is a result of the negligence of the Utility, its employees or agents.
7. Progress Payments: The Customer agrees to make one lump sum payment to the Utility for all of the Utility's estimated costs, including any applicable taxes. Alternatively the Customer may elect to make monthly payments to cover the work that has been completed in the prior thirty-day period. The Customer will render payment to the Utility within thirty days of receipt of the Utility's invoice for such work. The terms and conditions of PUCN approved Rule 5 in the Utility's Tariff will govern any disputes. The Utility will provide monthly progress reports on a site-by-site basis to the Customer. If requested by the Customer, the Utility will provide copies of any third party contractors / vendor invoices or Utility employee time sheets.
8. Testing Requirements: CRC and the Customer will provide necessary access and support for Utility personnel to conduct testing of all metering and communications functionality for each site. The implementation plan will not be complete until Utility personnel certify that successful test results have been achieved for each site. Each party agrees to expeditiously resolve issues associated with their responsibilities as detailed Section 1 and 2 of this Plan. If, after reasonable testing efforts, successful

results are not achieved, the Utility has the right to require the Customer to procure additional equipment to resolve the testing issues. Unless otherwise mutually agreed, the costs of any such additional equipment will be the sole responsibility of the Customer.

NEVADA POWER COMPANY
ESTIMATED DEFERRED ENERGY EXIT FEE - CITY OF LV

EXHIBIT C
SCHEDULE A-2

Payment Alternatives:

Lump Sum Costs	Total Amount
Load Ratio Share of Deferred Energy	
Cumulative Deferred 12-1-2006 to 5-31-2009	(A) \$ (63,755.43)
Total	<u>\$ (63,755.43)</u>

Allocation	Premium \$	Amount
	1056210	\$ (6,574.08)
	1427582	(8,571.48)
	1427583	(5,634.14)
	1518597	(12,238.41)
	1518598	(14,915.97)
	1518599	(10,160.01)
	1518600	(5,777.58)
	1816346	(12,070.40)
	1869292	(1,472.34)
		<u>\$ (63,755.43)</u>

Allocation	Premium \$	Amount
	1056210	\$ (4,105.63)
	1427582	(9,102.98)
	1427583	(8,124.38)
	1518597	(12,846.34)
	1518598	(15,559.11)
	1518599	(10,662.50)
	1518600	(10,264.13)
	1816346	(12,670.02)
	1869292	(1,545.48)
		<u>\$ (67,923.42)</u>

Payments Period	Monthly Payment	Payment Totals
Monthly Payment	\$ (7,336.56)	\$ (87,923.42)
Total		<u>\$ (87,923.42)</u>

Footnotes:

(A) Pay AS 103 Cumulative Balance includes period 7 that begins December 2006 and amortization commences Oct 2006 for 12 months.
 Per AS 103 Cumulative Balance begins January 2008 and amortization commences Oct 2009 for 12 months

Notes:

- 1 All increased numbers used in this calculation will be updated with actual numbers on departure.
- 2 The lump sum or monthly payment amounts are subject to change by order of the PUCN.
- 3 The lump sum or monthly payment amount is the load ratio share of the departing customer of the non-residential amounts the PUCN ordered all customers to pay.
- 4 "Monthly Payment" column assumes 9.96% carry charges for June 2007 and 11.76% for July 2007 to current.
- 5 Security requirements for Payments include:
 - An irrevocable direct pay letter of credit confirmed by a bank or financial institution reasonably acceptable to the Company;
 - An unconditional and irrevocable guarantee by a Company that maintains a senior debt rating of S&P+ by Standard and Poor's Corporation or a not less than Baa1 by Moody's Investors Service;
 - A cash deposit to the Company maintained in an interest bearing account by the Company on the customer's behalf.
- 6 Impact charges will be updated per the terms of the DCAs tariff.