

Letter of Agreement

This Letter of Agreement ("LOA") formalizes the September 2009 Transmission Reduction Plan ("Plan") for the City of Las Vegas which is attached as Attachment 1 and 1A to this LOA. This Plan will be Attachment 1 and 1A to the Network Operating Agreement and is incorporated therein. This agreement may only be modified and updated, as required, by mutual consent of all four parties.

In consideration of mutual promises and benefits, all parties agree to use best efforts to comply with and implement the Plan per the details listed in the Plan, and as they are modified from time to time and agreed to by all four parties.

The duly authorized representatives of the parties hereby affirm their agreement to the terms and conditions contained in this Letter of Agreement.

End-Use Customer – City of Las Vegas

By: 

Name: Oscar B. Goodman

Title: Mayor

Date: July 15, 2009

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

Approved as to form

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

Aggregator for End-Use Customer – Colorado River Commission of Nevada

By: 

Name: George M. Caan

Title: Executive Director

Date: 6/10/09

Network Customer/Scheduling Coordinator – Nevada Power Company d/b/a NV Energy

By: Jeffery Hill

Name: Jeffery Hill

Title: Executive, Resource Procurement

Date: 9/11/09

Transmission Provider – Nevada Power Company d/b/a NV Energy

By: Mario Villar

Name: Mario Villar

Title: Executive, Transmission

Date: 8/27/09

Attachment 1 – September 2009 Transmission Reduction Plan

Attachment 1A – Detail for the September 2009 Transmission Reduction Plan

**Attachment 1 to Network Operating Agreement
September 1, 2009 Transmission Reduction Plan For
City of Las Vegas (End-Use Customers) and
Nevada Power Co. d/b/a NV Energy (Scheduling Coordinator/Network Customer)**

1. Purpose

The purpose of the Plan is to define the obligations and actions of the Transmission Provider (Nevada Power Co. d/b/a NV Energy), the Scheduling Coordinator (Network Customer) and the End-Use Customer to preserve system reliability in the event that the Scheduling Coordinator is unable to obtain and schedule sufficient resources to the Transmission Provider to meet the End-Use Customer's electricity requirements or during a system emergency affecting the Transmission Provider's transmission system.

2. Compliance with Transmission Provider's Open Access Transmission Tariff

The Transmission Provider will act in accordance with the appropriate provisions of its OATT. The Scheduling Coordinator is responsible for obtaining and scheduling sufficient resources and reserves to meet the electricity needs of the End-Use Customer. Reserves can be self-provided, purchased from a third-party, or purchased from the Transmission Provider, as agreed to by the Transmission Provider and the Scheduling Coordinator. The following are references to specific sections of the Network Operating Agreement.

Section 10.1(ii) requires the Transmission Provider to offer to supply the ancillary services of spinning and supplemental reserves to Network Customers.

Section 10.4 indicates, following the loss of a Scheduling Coordinator's resource(s), the Transmission Provider will provide resources to cover the loss for one hour from the occurrence of the event if that Scheduling Coordinator has made prior arrangements to purchase operating reserves (spinning and supplemental) from the Transmission Provider.

Section 10.5 indicates, if the Scheduling Coordinator is unable to replace its lost resource(s) during that one-hour period, the Transmission Provider shall continue to supply the Scheduling Coordinator provided:

- The Scheduling Coordinator has made prior arrangements to purchase Reserves (Spinning and Supplemental) from the Transmission Provider, and
- Resources can be procured by the Transmission Provider, and
- System reliability is not negatively impacted.

Section 10.5 also indicates, if the Scheduling Coordinator or the Transmission Provider is unable to secure a replacement resource(s) and system reliability is negatively impacted, the Transmission Provider will direct the Scheduling Coordinator to implement its Plan. This does not preclude the Scheduling Coordinator from initiating its Plan on its own accord.

3. Plan Implementation

The Scheduling Coordinator will initiate the Transmission Reduction Plan as directed by the Transmission Provider when the loss of the Scheduling Coordinator's resource(s) or the failure of the Scheduling Coordinator to schedule resources sufficient to match its load may impair system reliability, or when there is a system emergency affecting the Transmission Provider's transmission system.

Following the loss of the Scheduling Coordinator's resource, the Scheduling Coordinator has ten-minutes to replace its resource(s) if self-providing its reserves, or one-hour to replace its resource(s) if the Scheduling Coordinator has made prior arrangements to purchase reserves from Transmission Provider. The Scheduling Coordinator will use all available resources (including but not limited to resources available from Transmission Provider pursuant to Section 2 above) that can be delivered to the Transmission Provider's Control Area to replace the lost capacity.

If system reliability may be impacted and the Scheduling Coordinator can not replace the lost capacity within the applicable time frame or fails to schedule sufficient resources to match its load, or if it is otherwise deemed necessary by the Transmission Provider to avoid impairing or degrading system reliability, the Scheduling Coordinator will initiate the Transmission Reduction Plan to balance load(s) and resource(s). The Transmission Provider will contact the Scheduling Coordinator to implement Tier Curtailments.

The End-Use Customer has identified multiple tier levels that will reduce the aggregate load of the End-Use Customer to zero if required. The details of the Transmission Reduction Plan are shown in Attachment 1A. The Scheduling Coordinator will determine which Tier(s) are needed to reach the level of reduction required by the Transmission Provider. After being contacted by the Scheduling Coordinator, the End-Use Customer will commence Plan implementation.

The End-Customer's load must be curtailed as directed by the Transmission Provider when system reliability is at stake.

The Transmission Provider, in an emergency affecting system reliability, also has the capability to curtail the End-Use Customer's load to balance their loads and resources, by opening breakers remotely at the substation interconnections, should the Scheduling Coordinator and the End-Use Customer fail to balance loads and resources or should it otherwise be necessary for reliability purposes.

4. Curtailment Plan Operating Procedures

Implementation of Plan:

1. The Transmission Provider will contact the Scheduling Coordinator to implement Tier Curtailments as necessary when the Transmission Reduction Plan is to be initiated.
2. Upon notification, the Scheduling Coordinator will notify the End-Use Customer's 24-hour desk to implement Transmission Reduction Plan.

3. The End-Use Customer's Staff will implement the plan in accordance with the tiers identified in Attachment 1A.
4. The End-Use Customer's Staff at each facility will immediately begin load curtailment by ramping down loads and/or opening/operating circuit breakers/devices until reaching the level of reduction directed by the Transmission Provider.
5. After plan implementation, the End-Use Customer's Staff will report back to the Scheduling Coordinator and the Scheduling Coordinator will report back to the Transmission Provider.

In no event shall the implementation of this Transmission Reduction Plan by the Scheduling Coordinator/End-Use Customer result in a level of reduction that is less than that which is directed by the Transmission Provider.

5. Contact Information

The Scheduling Coordinator will maintain and update 24-hour contact information for the Transmission Provider, the Scheduling Coordinator, and the End-Use Customer facility personnel that are required to implement the Plan.

The contact numbers are:

Entity	Contact Person	24 Hour Phone Number
Transmission Provider	NV Energy Control Center	(702) 862-7111
Scheduling Coordinator	NV Energy	(702) 579-1965
City of Las Vegas	WPCF 24 hour SCADA Operator	(702) 229-6600
End Use Customer's Aggregator	Colorado River Commission	(702) 682-6977

**Attachment 1A to Network Operating Agreement
Detail for the September 1, 2009 Transmission Reduction Plan For
City of Las Vegas (End-Use Customers) and
NV Energy (Scheduling Coordinator/Network Customer)**

TIER 1:

Facility Name	Facility Address	Premise Number
WPCF: Plants 3&4	6005 E. Vegas Valley Dr., Las Vegas, NV 89142	1427682
WPCF: Plants 1&2, Chemical Building	6005 E. Vegas Valley Dr., Las Vegas, NV 89142	1056210
WPCF: Nitration/Filtration	6005 E. Vegas Valley Dr., Las Vegas, NV 89142	1518600
DHWRC: Durango Hills Facility	3271 N. Durango, Las Vegas, NV 89129	1816348
WPCF: Nitration/Filtration	6005 E. Vegas Valley Dr.	1518597
WPCF: Dewatering	6005 E. Vegas Valley Dr.	1427683
WPCF: Nitration/Filtration	6005 E. Vegas Valley Dr.	1518598
WPCF: Nitration/Filtration	6005 E. Vegas Valley Dr.	1518599
WPCF: Headworks	6005 E. Vegas Valley Dr.	1869292

Due to the critical nature of the wastewater pumping loads listed and the fact they provide essential services that may impact the health, safety, and welfare of Southern Nevadans, the above loads are grouped in a single tier of highest priority. Upon plan implementation, the Scheduling Coordinator and End-Use Customer will curtail loads listed in Tier 1 in a manner that is least disruptive to wastewater system operations while complying with the Transmission Reduction Plan.