

Schedule EDRR
ECONOMIC DEVELOPMENT RATE RIDER

APPLICABLE

This Rider is offered pursuant to the Economic Development Rate Rider Program (the "Program") established in Nevada Revised Statutes ("NRS") 704.7871 to 704.7882, inclusive. This Rider is applicable to bundled rate schedules of the Utility that apply to customers who meet the following eligibility qualifications as set forth in NRS 704.7876:

- (a) The customer is a new commercial or industrial customer of an electric utility in this State;
- (b) The customer is not, and has not been during the immediately preceding 12 months, a customer of any other electric utility in this State;
- (c) The customer's new load or demand is greater than 300 kilowatts ("kW");
- (d) The Utility has determined that the customer's use of the load is not for a project, purpose or facility which carries an abnormal risk or is seasonal, intermittent or temporary;
- (e) The customer has applied for each economic incentive, including, without limitation, any abatement or partial abatement of taxes, offered by the State or any local government for which the customer is eligible; and

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Additionally, to receive service under this Rider, eligible customers must satisfy other requirements of the Program and this Rider as further described herein.

The Program is limited to a total of 50 megawatts ("MWs") statewide, and the aggregate electric service to customers under this Rider cannot exceed the Utility's set aside of 25 MWs. The Public Utilities Commission of Nevada (the "Commission") may reallocate the total capacity available under the Program among utilities depending on the relative demand for the Program among the utilities in the state.

TERRITORY

Available in the entire Nevada service area, as specified.

RATES

The Base Tariff Energy Rate ("BTER") applicable under the Otherwise Applicable Rate Schedule ("OARS") will be discounted by the following percentage amounts in the ten consecutive 12 month billing periods beginning with the first billing period after the Customer commences service under this Rider (See Special Condition 5) and the Economic Development Rate Service Agreement ("the Effective Rate Period"):

- (a) 30% in the first and second years of the Effective Rate Period;
- (b) 20% in the third, fourth, fifth, and sixth years of the Effective Rate Period; and
- (c) 10% in the seventh and eighth years of the Effective Rate Period.

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 (Continued)

RATES (Continued)

The discount to the BTER charge will revert to zero (0%) in the ninth and tenth years of the Effective Rate Period, and the customer will resume paying the standard BTER charge as all other customers under the OARS. Special Conditions 4 and 5 below describe the Economic Development Rate Service Agreement (“Service Agreement”) and the ten-year Effective Rate Period. Special Condition 6 describes how the kilowatt hour (kWh) energy sales to be applicable to the discounted BTER charge under the Program will be determined for each billing period based upon the Customer’s allocation of the capacity set aside for the Program and its maximum demand in the billing period.

All other rates under the customer’s OARS will apply during the Effective Rate Period. As set forth in NRS 704.7877(3)(f) and 704.7879, if the customer fails to fulfill any requirement of this Rider and the Service Agreement or carry out any duty imposed pursuant to the Program during the term of the Service Agreement, the customer ceases to be eligible for the discounted rate under this Rider; and furthermore, the Utility will inform the Commission of any such failure of the customer to satisfy the condition(s) of the Program and the Service Agreement. Upon issuance of an Order from the Commission so directing, the customer shall pay back to the Utility an amount equal to the entire cumulative BTER discount received since the commencement of the Service Agreement with the Utility.

DEPOSITS

Rule 13 governs deposit requirements for customers. Consistent with Rule 13, and for purposes of estimating the average monthly bill to establish the appropriate deposit of a customer hereunder in accordance with NRS 704.7877(3)(e), the Company’s current rates for the OARS immediately prior to the commencement of the Effective Rate Period and the 30% discount under the second year of the Effective Rate Period will be used to set the deposit requirement for the customer in conjunction with the estimated loads of the customer in the second year of the Effective Rate Period.

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 (Continued)

SPECIAL CONDITIONS

1. **Letter of Eligibility.** The Customer must file an application with the Office of Economic Development (“OED”) of the State of Nevada seeking approval to participate in the Program, and must obtain a letter of eligibility for the Program from the OED, which shall be provided to the Commission. In providing the initial approval of an application, the OED must determine that such approval is in the best interests of the state. NRS 704.788 provides that the OED shall not accept an application or give initial approval to any applicant for participation in the Program, and the Commission shall not approve an applicant for participation in the Program, after the earlier of December 31, 2017, or the date on which the capacity set aside is fully allocated.
2. **Access to Facility or Facility Plans.** Prior to entering into the Service Agreement with the Utility, the Customer must provide the Utility access to the facility or plans for the facility for the purpose of making recommendations concerning the energy efficiency of the facility.
3. **Annual Load Factor.** For each year of the Effective Rate Period, the customer must maintain an annual load factor of 50 percent or more; and prior to entering into the Service Agreement with the Utility, the customer must provide satisfactory proof to the Commission that it can meet this load factor requirement.
4. **Economic Development Rate Service Agreement.** The customer must execute a Service Agreement in the attached form with the Utility. The Service Agreement establishes the terms and conditions of participation in the Program, consistent with the terms of NRS 704.7871 through 704.7882, inclusive, the Commission’s regulations and this Rider. The Service Agreement must be approved by the Commission before it becomes effective.

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 (Continued)

SPECIAL CONDITIONS (Continued)

5. **Effective Rate Period.** For purposes of this Rider and the Service Agreement, the discounted rates herein will not begin to apply until the first full billing period of the customer after the Customer commences service. The commencement of service to the customer under this Rider begins when the Customer begins business operations and shall not apply to construction power for the construction of the initial facilities. The Rate Effective Period under the Service Agreement will be for ten years, commencing with the first full billing period after service commences and the first discount in rates as set forth herein are provided to the customer. This first full billing period and the next eleven billing periods will comprise the first year of the ten-year Effective Rate Period, with the second through tenth years of the Effective Rate Period similarly comprised of the subsequent consecutive 12 month billing periods continuing through the final (one hundred and twentieth) billing period concluding the ten year term of service under
6. **Limitation on the kWh Applicable to the Discounted BTER.** The Service Agreement set forth in Special Condition 4 will specify the kW capacity the Customer is receiving under the Program. In each billing period during the term of the Service Agreement in which the BTER discount applies, the amount of energy in the period that is applicable to the discounted BTER charge will be determined on a 15 minute basis by subtracting the measured energy in each 15 minute interval in the billing period from the fixed amount of energy for each 15 minute interval period that is associated with the kW capacity of the Program provided to the customer as specified in Section 1.4 of the Service Agreement. If the resulting value is zero or negative, all of the measured energy in the 15 minute interval is eligible for the discounted BTER charge. If the resulting value is positive, only the measured energy used in that 15 minute period equal to the fixed amount of energy associated with the kW capacity allotment of the customer under the Program as specified in Section 1.4 of the Service Agreement is eligible for the discount, and any energy used above that amount will be billed at the full (undiscounted) BTER charge.

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Schedule EDRR
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 (Continued)

Service Agreement

Agreement Number: EDRR-_____

This Service Agreement (the "Agreement") is made and entered into by and between _____ ("Customer"), and Sierra Pacific Power Company, d/b/a NV Energy ("Utility"), a corporation organized and existing under the laws of the state of Nevada. From time to time, the 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. 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 as part of the regulatory process of the Public Utilities Commission of Nevada ("Commission"); is intended to conform to the provisions of Nevada Revised Statutes 704.7871 through 704.7882, inclusive, and the Commission's regulations as set forth in NAC Chapter 704 regarding the Economic Development Rate Rider Program; was filed with and approved by the Commission for use between the Utility and Customers and may not be waived, altered, amended or modified, except as provided herein or in the Utility's tariffs, or as may otherwise be authorized by the Commission.
- 1.3 Service under this Agreement is subject to the continuing jurisdiction of the Commission and the terms and provisions of the Economic Development Rate Rider tariff ("the Rider") as it may be subsequently altered or amended.
- 1.4 The Customer's capacity allocation under the Economic Development Rate Rider Program is _____ kilowatts (kW).

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Schedule EDRR
ECONOMIC DEVELOPMENT RATE RIDER
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Service Agreement

Section 2
Eligibility for Service

- 2.1 To be eligible for service under the Rider, the Customer must be engaged in commercial or industrial activity and meet the following qualifications as defined in NRS 704.7876:
- (a) The Customer is a new commercial or industrial customer of an electric utility in this State;
 - (b) The Customer is not, and has not been during the immediately preceding 12 months, a customer of any other electric utility in this State;
 - (c) The Customer's new load or demand is greater than 300 kilowatts;
 - (d) Utility has determined that the Customer's use of the load is not for a project, purpose or facility which carries an abnormal risk or is seasonal, intermittent or temporary;
 - (e) The Customer has applied for each economic incentive, including, without limitation, any abatement or partial abatement of taxes, offered by the State or any local government for which the customer is eligible.
- 2.2 For each year of the ten year Effective Rate Period, as described in Section 4.3 herein and in the EDRR, the Customer must maintain a minimum annual load factor of 50 percent. For purposes of this Service Agreement, an average of the Customer's four highest maximum demands in the 12 month billing periods and the total kilowatt hour (kWh) energy provided by the Utility to the Customer in the 12 month billing periods will be used for the calculation of the annual load factor, which is the ratio of the kWh consumed in the period to the kWh use that would occur if electric use would be sustained at the average of the maximum demands throughout the entire period.
- 2.3 The Customer shall provide to the Utility all information necessary for the Utility to determine the Customer's eligibility under Section 2.1 of this Agreement.
- 2.4 Service under the Rider is subject to the availability of capacity under the statutes and regulations applicable to the Economic Development Rate Rider Program.

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 (Continued)

Service Agreement

Section 3
Representations

- 3.1 Each Party represents that it is and shall remain in compliance with all applicable laws and Tariffs, including applicable Commission requirements. All of the provisions of the Utility's Tariffs are hereby incorporated by reference into this Agreement.
- 3.2 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.
- 3.3 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 or other action by such Party; and (c) this agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

Section 4
Term of Service and Termination
 (Continued)

- 4.1 The Agreement Effective Date shall commence on the date that the executed Agreement by both Parties hereto is approved by the Commission. In that service to the Customer may commence after the Agreement Effective Date, the term of the Agreement shall extend through the ten year term required to provide the 8 years of discounted Base Tariff Energy Rate ("BTER") rates, and the final two years of undiscounted rates (the "Effective Rate Period") set forth in Section 5 and in the EDRR. The commencement of service to the customer shall be when the customer begins business operations and shall not be deemed to commence when the electric service for the construction of the facilities begins.

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Service Agreement

Section 4
Term of Service and Termination
 (Continued)

- 4.2 Notwithstanding any other provision of this Agreement, this Agreement is terminated and the Customer shall not be eligible for service under this Agreement and the Rider if the Customer fails to energize its new facilities and commence electric service from the Utility within a time agreed to by the parties, but no more than 24 months from the date this Agreement is approved by the Commission. Upon the failure of the Customer to comply with this Section 4.2, the capacity reserved for the Customer under the Economic Development Rate Rider Program, as set forth in Section 1.4, shall be forfeited and available for assignment to another customer eligible under the Rider.
- 4.3 At the conclusion of each year of the Effective Rate Period the Utility will conduct a review to determine if the Customer's annual load factor has met the 50% minimum requirement under the Program and the EDRR. If for any consecutive 12 month period of the Effective Rate Period the Customer fails to maintain an annual load factor of 50 percent or more, the Customer shall no longer be eligible for the discounted rates and service under the Rider, and the Utility will notify the Commission of this event.
- 4.4 Should the Commission make a determination that the Customer has failed to fulfill any requirement of this Agreement or carry out any duty imposed pursuant to the Rider, or if the Customer ceases to take service prior to the end of the Effective Rate Period, and upon issuance of an Order from the Commission so directing, the Customer shall within the time set by the Commission pay to the Utility an amount equal to the rate which would have been charged but for the participant's participation in the Economic Development Rate Rider Program. Upon the Commission making a finding under this Section 4.4, the capacity reserved for the Customer under the Economic Development Rate Rider Program shall be forfeited and available for assignment to another customer eligible under the Rider.

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Schedule EDRR
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Service Agreement

Section 5
Billing and Payment
 (Continued)

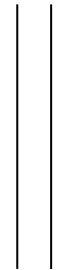
5.1 The Utility will bill the Customer under the EDRR over the ten-year Effective Rate Period. As set forth in the EDRR, the Utility will bill the Customer for service under the Customer's Otherwise Applicable Rate Schedule ("OARS"), subject to the following terms. The Base Tariff Energy Rate ("BTER") under the OARS, will be discounted by the following percentage amounts in each year of the ten-year Effective Rate Period:

- (a) 30% in the first and second years of the Effective Rate Period under the EDRR;
- (b) 20% in the third, fourth, fifth and sixth years of the Effective Rate Period under the EDRR; and
- (c) 10% in the seventh and eighth years of the Effective Rate Period under the EDRR.

The percentage discount on the BTER charge will revert to zero (0%) in the ninth and tenth years of the Effective Rate Period under the EDRR, and the customer will pay the standard BTER charge as all other customers under the OARS. All other rates under the customer's OARS will apply throughout the term of this Section.

As provided in Special Condition 6 of the EDRR tariff, the Utility shall determine the portion of Customer's energy use in each billing period during the term of this Agreement that is eligible to be charged at the applicable discounted BTER. The discounted BTER charge will be determined on a 15 minute basis by subtracting the measured energy in each 15 minute interval in the billing period from the fixed amount of energy for each 15 minute interval period that is associated with the kW capacity of the Program provided to the customer as specified in Section 1.4 of the Service Agreement. If the resulting value is zero or negative, all of the measured energy in the 15 minute interval is eligible for the discounted BTER charge. If the resulting value is positive, only the measured energy used in that 15 minute period equal to the fixed amount of energy associated with the kW capacity allotment of the customer under the Program as specified in Section 1.4 of the Service Agreement is eligible for the discount, and any energy used above that amount will be billed at the full (undiscounted) BTER charge.

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5.2 The EDRR only applies to bundled retail rate schedules of the Utility.

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 (Continued)

Service Agreement

Section 5
Billing and Payment
 (Continued)

- 5.3 As specified in the EDRR, the rate discount applies only to the BTER rate component in the OARS. The Customer shall pay all other charges and rates required under the Utility's tariffs and rules, including but not limited to any deposits assessed pursuant to Rule 13 and the Rider and the costs, if any, associated with establishing service.
- 5.4 The Company's current rates for the OARS immediately prior to the commencement of the Effective Rate Period and the 30% discount under the second year of the Effective Rate Period will be used to set the deposit requirement for the customer in conjunction with the estimated loads of the customer in the second year of the Effective Rate Period.

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Section 6
Duty of Cooperation and Regulatory Compliance

The Customer shall provide to the Utility all information required by the Utility to comply with the regulations and other requirements of the Commission regarding service under the EDRR and the Customer's continuing eligibility for service under the Rider, including but not limited to information that the Utility is required to submit to the Commission pursuant to the provisions of NRS Chapters 703 and 704 and NAC Chapter 704.

Section 7
Assignment and Delegation

Neither Party to this Agreement shall assign any of its rights or obligations under this Agreement, except with the prior written consent of the other Party, 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 7 shall be void.

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Service Agreement

Section 8
Notices

- 8.1 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:

If the notice is to the Utility:

- 8.2 Each Party shall be entitled to specify as its proper address any other address in the United States upon written notice to the other Party.
- 8.3 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 Party.

Section 9
Dispute Resolution

- 9.1 The form of this Agreement has been filed with and approved by the Commission as part of the Utility's applicable Tariffs. 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 8 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.

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Issued: **05-11-15**

Effective: **06-24-15**

Advice No.: **570-E**

Issued By:
Shawn Elicegui
Vice President

Schedule EDRR
ECONOMIC DEVELOPMENT RATE RIDER
 (Continued)

Service Agreement

Section 9
Dispute Resolution
 (Continued)

9.2 If the Parties fail to reach an agreement within a reasonable period of time, either Party may submit the matter, if within the Commission's subject matter jurisdiction, for resolution to the Commission in accordance with the Commission's rules, regulations and procedures that may be applicable. This does not prohibit the Parties from pursuing an action in court for other remedies not available at the Commission. To the fullest extent permitted by law, each of the parties waives any right it may have to a trial by jury in respect to litigation directly or indirectly arising out of, under or in connection with this Service 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.

Section 10
Conflicts Between this Agreement and the Utility's Tariffs

Should a conflict exist or develop between the provisions of this Agreement and the Utility's Tariffs, as approved by the Commission, the provisions of the Utility's Tariffs if applicable shall prevail.

Section 11
Amendments or Modifications

- 11.1 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, subject to the review and approval of the Commission.
- 11.2 The Parties may amend the Agreement to conform to changes to the applicable Tariff as directed or required by the Commission. 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 10 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 Commission regulations and the Utility's tariffs and rules.
- 11.3 The Utility retains the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for a change in the Utility's rates, charges, classification, service, principles, or any agreement relating thereto.

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Schedule EDRR
ECONOMIC DEVELOPMENT RATE RIDER
(Continued)

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Service Agreement

Section 12
Miscellaneous

- 12.1 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.
- 12.2 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.
- 12.3 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.
- 12.4 To the extent that the Commission has a right to audit the Customer's compliance with this Agreement or other legal or regulatory requirements pertaining to transactions under this Agreement, the Customer shall cooperate with such audits.
- 12.5 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.

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(Continued)

Service Agreement

The Parties have executed this Agreement on the dates indicated below.

ON BEHALF OF CUSTOMER:

Name

Date

Title

ON BEHALF OF UTILITY:

Name

Date

Title

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