

Rule No. 9
ELECTRIC LINE EXTENSIONS

(D, N)

A. General Information

A.1. Introduction

- a. Overview of Rule. Utility invests in Applicants' Line Extension Projects on behalf of ratepayers. Rule 9 specifies how Projects, which include both new physical connections and customer-requested modifications of Utility's existing electric system, are designed, constructed, inspected, paid for, owned and taxed. The Rule governs how the Total Costs and responsibilities for the construction of and modification of Line Extensions are allocated between Utility and Applicants according to relevant factors, including a Project's size, duration and risk. Rule 9 seeks to balance all of these considerations in an efficient and equitable manner.
- b. Organization of Rule. The provisions of Part A, "General Information," apply to both Part B, "All Projects except Master Planned Communities," and Part C, "Master Planned Communities," where appropriate to the context of the Sections in each Part.
- c. Rule 9 Definitions. Refer to Section A.34 (Rule 9 Definitions) for terms, expressions and acronyms that have meanings and expressions set forth for the purpose of this Rule.
- d. List of Sections. Each section of this Rule needs to be read within the context of the entire Rule. The following is a list of all sections of this Rule.

Part A – General Information

- A.1 Introduction
- A.2 Engineering, Design & Inspection
- A.3 Minimum Requirements
- A.4 Nearest Capacity Source and Most Cost-Effective Route
- A.5 Alternate Routes
- A.6 Alteration of Existing Facilities
- A.7 Contributions in Aid of Construction (CIAC)
- A.8 Service Conductors and Service Connection Points
- A.9 Property Rights
- A.10 Final Grade and Alignment
- A.11 Customer Owned Facilities
- A.12 Applicant's Installation Requirements
- A.13 Advance for High Cost, Long Lead Time, Non-Inventory Materials
- A.14 Construction
- A.15 Total Costs

(Continued)

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A. General Information (Continued)

A.1. Introduction (Continued)

d. List of Sections (Continued)

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

Part B – All Projects Except Master Planned Communities

- B.1 Applicability
- B.2 Applicant Cost Responsibility for Substation and High Voltage Distribution Installations
- B.3 Allowances
- B.4 Term

Part C – Master Planned Communities

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

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A. General Information (Continued)

A.1. Introduction (Continued)

Part D – Implementation

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

Attachments:

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

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

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A.2 Engineering, Design & Inspection

- a. Introduction. Utility shall be responsible for the engineering, design, and inspection of all Projects. Such engineering, design and inspection by Utility shall apply only to those electric facilities that Utility will own and maintain.
- b. Preliminary Design.
 - 1. Applicant shall submit via facsimile, electronic or hand delivery a completed project information sheet to Utility for Applicant's Project. The Utility project information sheet shall specify all information generally required for preparation of the preliminary diagram of service connection points and preliminary estimate of Total Cost requirements and include instructions regarding completion of the project information sheet to ensure that all of the information that Utility needs is provided.
 - 2. Upon the request of Applicant, Utility shall prepare a preliminary diagram of service connection points consistent with the information provided in the project information sheet and a preliminary estimate of Total Cost requirements attributable to the Project (other than for particularly complex projects such as mines) at no direct cost to the Applicant.

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A. General Information (Continued)

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

- 3. Applicant is entitled to one preliminary diagram of service connection points and preliminary Total Cost estimate per project at no direct cost to Applicant. Absent any Applicant changes to the scope or nature of Applicant's project, or information provided by Applicant that is incorrect, in the event that the preliminary diagram of service connection points contains Utility generated errors or omissions, Utility will prepare a revised preliminary diagram of service connection points and a revised preliminary Total Cost estimate (if necessary) at no cost to Applicant.
- 4. Preliminary diagrams of service connection points and preliminary estimates of Project Total Cost are subject to change to match the actual conditions as identified at the time of the binding design.
- c. Applicant's Requirements for Binding Design. Prior to the start of binding design work, Applicant shall sign a Design Initiation Agreement with Utility to perform the work, provide an Advance of all estimated Total Costs for design preparation, and provide a complete set of all of the following information and documentation required to design Applicant's Project:
 - 1. a proposed construction schedule and in-service date, and any critical benchmark dates; and
 - 2. Estimated Full Build-out Project Load ("EFBPL") for all phases of Applicant's development; and
 - 3. pertinent maps to suitable scale, in a format acceptable to Utility for those areas to be developed showing:
 - (a) identification of all roadways, throughways and rights of way
 - (b) lot layouts, including assessor parcel numbers and parcel sizes;
 - (c) ownership or control of all parcels;
 - (d) identification of each business entity that will be served;
 - (e) electrical site plan and loads;
 - (f) requested point(s) of delivery;

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A. General Information (Continued)

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

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

3. (continued)

(g) record of survey information;

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

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

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

d. Binding Design

1. Total Costs. Applicant shall be responsible for the Total Costs associated with:

(a) Applicant's request for final and binding design, inclusive of detailed plans, specifications, Total Cost estimates, and projected construction dates for a specific Project; and

(b) all additional or subsequent design work or estimates, including alternative service scenarios.

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

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

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A. General Information (Continued)

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

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

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

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A. General Information (Continued)

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

e. Deadlines for Standard Projects. (Continued)

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

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

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

A.3. Minimum Requirements

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

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A. General Information (Continued)

A.3. Minimum Requirements (Continued)

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

1. only specify and design the minimum facilities that Utility determines are necessary, consistent with Utility Standards, either to provide New Service to Applicant or to modify existing facilities ("Minimum Requirements"); and
2. not be required to deviate from Utility Standards (and the use and application of Utility Standards shall not constitute exceeding the Minimum Requirements); and
3. have the discretion to select the size, type and quality of materials to be used for any Line Extension consistent with a Minimum Requirements design; and
4. make Utility's design Standards (for standard voltages) available at Applicant's request. Construction standards relating to the Applicant's installation requirements under Section A.12 (Applicant's Installation Requirements) and Subsection A.14.c (Developer Contracts Administrative Program) are available from the Utility.

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

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

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

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

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A. General Information (Continued)

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

- b. No Conflict with Existing Plans. Utility shall not be required to design or construct a Line Extension which is in conflict with the existing obligations contained in any previously accepted design, agreement or construction. Utility shall use Commercially Reasonable Efforts to design the Project so as to avoid known conflicts and shall identify all known conflicts in the binding design. Upon the request of the Applicant, Utility must provide the specific details of the conflict that pertains to any previously accepted design, agreement or construction without revealing confidential information. While Utility is responsible for determining the most cost-effective route pursuant to this Section A.4, at Applicant's request, Utility will consult with the Applicant in an effort to avoid known conflicts.
- c. Contingent Facilities. If Contingent Facilities have been identified in the binding design and Utility acquires updated information about the status of the Contingent Facilities that affects Applicant's Project, Utility will provide that updated non-confidential information to Applicant as soon as practicable. If the identified Contingent Facilities are not installed, then the design for Applicant's Project will change, and the Total Costs, may change.

A.5. Alternate Routes

- a. Applicant Requested. Applicant may request that the Line Extension be constructed along a route different from the route proposed by Utility; and, where Utility is agreeable to such route, Applicant shall be responsible for all incremental Total Cost increases attributed to such route. Applicant shall provide to Utility the estimated incremental Total Cost by advancing a CIAC.
- b. Utility Requested. Utility may design and construct the Line Extension along an alternate route when such route, in the opinion of Utility, best serves the interests of Utility and Applicant; and in such situations, all additional Total Costs attributed specifically to the alternate route shall be at Utility's sole expense.

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A. General Information (Continued)

A.5. Alternate Routes (Continued)

- c. Franchisor Requested. Where Applicant is also the Franchisor for the area in which Line Extension facilities are to be constructed, in whole or in part, outside of the public right of way and requests Utility to utilize an Alternate Route that is in a public right of way under the jurisdiction of Applicant, then Applicant shall:
 - 1. pay for all incremental Total Costs attributed to such Alternate Route, as determined by Utility; and
 - 2. provide Utility (a) for facilities that are being relocated pursuant to Section A.6, a recordable real property right in the public right of way that is deemed to be a Prior Right for the facilities being relocated (with dimensions Utility determines are required for the relocated facilities in the new location) that is comparable to the property right Utility holds for the facilities being relocated; and (b) for new facilities, a recordable real property right in the public right of way that is comparable to the property right Franchisor would have been required to provide to or obtain for Utility along the route proposed by Utility pursuant to Section A.4 and is deemed to be a Prior Right.
- d. Utility Facilities Incompatible with Public Right of Way. Utility shall under no circumstances be required to place vaults, transformers, switches or switch cabinets, transmission facilities or any other facilities in the public right of way that Utility reasonably determines are incompatible with the public right of way for reasons of safety, current or future cost or other reasons consistent with Good Utility Practice. If the Applicant disagrees with Utility's decision not to place such facilities in the public right of way, Utility shall meet and confer with the Applicant to discuss the issue before making a final decision.

A.6. Alteration of Existing Facilities

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

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A. General Information (Continued)

A.6. Alteration of Existing Facilities (Continued)

a. Requests for Alteration. (Continued).

1. No Increase in Demand or Units. If Utility agrees to make such changes then Applicant shall be responsible to advance a CIAC to Utility for all Total Costs attributed to such work. All such work, including franchise work, shall be performed under a Relocation and Removal Agreement
2. Net Increase in Demand or Units. When alteration results in a net increase in demand or units and if the facilities to be modified, rearranged or relocated are in physical conflict with the Applicant's reasonable construction necessary to effectuate such increases, then Applicant shall be eligible for an Allowance. Such Allowance is limited to the resulting identifiable net increase in demand or number of units and will reduce only the associated Total Cost responsibility for the relocation or removal.
3. Alteration Necessitated by Establishment of Final Grade and Alignment. When alteration, modification, or relocation of Utility's facilities is required by a Local Governmental Entity ("LGE") approving establishment of final grade and alignment pursuant to Section A.10, Applicant shall advance a CIAC to Utility for the Total Cost to relocate, modify and remove electric facilities to accomplish final grade and alignment.

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

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

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A. General Information (Continued)

A.6. Alteration of Existing Facilities

c. Franchise Agreements. (Continued)

1. When Utility documents that it has Prior Rights inside Applicant's right of way or that franchise agreement is silent with respect to Total Cost responsibility for facilities relocations inside Applicant's right of way, then Rule 9 governs allocation of Total Cost and how facilities are built.
2. When Utility does not have Prior Rights inside Applicant's right of way and that franchise agreement requires Utility to relocate its facilities in the right of way and pay for that relocation, then Utility will be responsible for that Total Cost and Franchisor must provide Utility with a property right or a new location in the public right of way before Utility is required to relocate its facilities.

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

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

- a. CIAC Required. A CIAC, which is a non-refundable contribution of monies and/or facilities which is not eligible to be offset by an Allowance, is required from an Applicant for purposes including but not limited to the following:**
1. when an Applicant requests the installation of a Line Extension in excess of the Minimum Requirements necessary to provide service to Applicant, pursuant to Section A.3 (Minimum Requirements), the incremental cost shall be a CIAC;
 2. when an Applicant requests that a Line Extension be constructed along a route different from the route proposed by Utility, pursuant to Section A.5 (Alternate Routes);

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A. General Information (Continued)

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

a. CIAC Required. (Continued)

- 3. when an Applicant requests that Utility modify, rearrange, relocate, or remove any of Utility's existing facilities for any purpose that does not effect an increase in demand or number of units that will take service, pursuant to Section A.6 (Alteration of Existing Facilities);
- 4. the Total Costs to obtain right of way that is required in order to install the requested facilities, pursuant to Section A.9 (Property Rights);
- 5. when Utility's facilities are installed prior to the establishment of final grade or road alignment and such installations comes into conflict with the establishment of future grade or road alignment and are required to be relocated, pursuant to Section A.10, (Final Grade and Alignment); and
- 6. when the Total Cost of a Master Planned Community HVD that exceeds the Total Cost of two miles of overhead HVD pursuant to Section C.4 (Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations).

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

A.8. Service Conductors and Service Connection Points

- a. Utility Ownership. All service conductors shall be furnished, installed, owned and maintained by Utility.
- b. Applicant's Requirements. Applicant shall provide at no expense to Utility a service connection point in Applicant's panel in accordance with Utility's Standards.

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A. General Information (Continued)

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

- c. Utility Design. Utility shall designate Applicant's meter location and determine the length of service conductors consistent with Utility's Standards, along the shortest, most cost-effective and practical route which enables electric service to the meter.
- d. Applicant's Total Cost Responsibility. All service conductor expenses incurred by Utility are Total Costs for which Applicant is responsible and are eligible to be offset by an Allowance or Refund except those that fall under Subsection A.6.a.1 (No Increase in Demand or Units).

A.9. Property Rights

- a. Minimizing Total Costs. Consistent with Sections A.4, A.5 and A.6, Utility shall make Commercially Reasonable Efforts to install facilities within public roads and highways. Utility shall under no circumstances be required to place vaults, transformers, switches, switch cabinets, transmission facilities or any other facilities in the public right of way that Utility reasonably determines are incompatible with the public right of way for reasons of safety, current or future cost or other reasons consistent with Good Utility Practice. If Applicant disagrees with Utility's decision not to place such facilities in the public right of way, Utility shall meet and confer with Applicant to discuss the issue before making a final decision. If Utility determines that the facilities should not be installed in public roads or highways, Applicant must obtain satisfactory rights of way across public lands or private property at no expense to Utility.
- b. Applicant's Total Cost Responsibility. Applicant will, without reimbursement, make or procure conveyance to Utility such rights of way for any Project across property owned or controlled by Applicant or others, which in the opinion of Utility is deemed necessary for, or incidental to, the supplying of service to Applicant or the requested Alteration of Existing Facilities.
- c. Eminent Domain. If Applicant cannot obtain the required rights of way, Utility may, by powers of eminent domain, if applicable, or otherwise obtain rights of way at the sole expense of Applicant.
- d. Payment by CIAC. Applicant shall provide a CIAC (see Section A.7.a) to Utility for all Total Costs to acquire such rights of way.

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A. General Information (Continued)

A.10. Final Grade and Alignment

- a. Applicability. The obligations in this Section only apply to the original Applicant whose line extension request necessitates that electrical facilities be installed prior to the establishment of final grade or alignment of the roads, streets or alleys. Final grade and alignment may be established physically or on plans finalized and approved by the LGE with jurisdiction over the road, street or alley. This Section A.10 does not apply to electrical facilities that are installed in a road, street or alley after the establishment of final grade and alignment.
- b. Original Applicant's Total Cost Requirements. Applicant at whose request the Line Extension or relocation was constructed prior to the establishment of final grade or alignment shall advance a CIAC for the Total Cost to relocate, modify and remove electric facilities when:
 - 1. those electric facilities were installed in a road, street or alley at Applicant's request before final grade and alignment for the road, street or alley was initially established by the LGE; and
 - 2. a conflict subsequently arises due to the establishment of final grade; and
 - 3. Utility would otherwise be required to relocate those electric facilities at its expense.
- c. Local Government Entity Responsibility as Original Applicant.
 - 1. Exception. Under A.10.b, an LGE is responsible for the costs of relocating Utility's facilities installed prior to establishment of final grade and alignment when the LGE was the original Applicant for such facilities, unless (a) the LGE requires that Utility's facilities be installed prior to the establishment of final grade and alignment for reasons of safety, coordination with public works projects, or establishment of intersections, and (b) prior to the establishment of final grade and alignment, LGE notifies a subsequent entity that it must contact Utility to enter into a Rule 9 Agreement with Utility pursuant to Section A.6, prior to LGE's approval of the final grade and alignment, and (c) the subsequent entity/developer enters into a Rule 9 Agreement with Utility and becomes responsible for the relocation costs.

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(D, N)

A. General Information (Continued)

A.10. Final Grade and Alignment (Continued)

- c. Local Government Entity Responsibility as Original Applicant.
 - 2. Cooperation. Utility and LGE will cooperate with each other, and meet and confer as may be required individually or collectively with subsequent entity/developer, regarding the Rule 9 Agreement required for the alteration of those facilities necessary to accomplish the request for the establishment of final grade and alignment.
 - 3. Establishing Final Grade and Alignment. After the subsequent entity/developer enters into the Rule 9 Agreement and becomes an Applicant, the LGE with jurisdiction will facilitate completion of the establishment of final grade and alignment with Applicant, and Applicant will be held responsible for the Total Cost of relocating the facilities under the new Rule 9 Agreement, pursuant to Section A.6.
- d. Establishing Final Grade and the Alignment. Working with the LGE with jurisdiction over the area, the original Applicant may facilitate the legal establishment of the final grade and the alignment for the roads, streets and alleys at issue by the LGE.
- e. Termination of Applicant's Responsibility. Applicant's Total Cost responsibility under this Section terminates on the earlier of: (1) the date the final grade and alignment for the particular road, street or alley is established; or (2) the date Applicant's Rule 9 Agreement terminates.
- f. Security Requirement. Utility may require Applicant to provide Security for the estimated Total Cost of any potential relocation, removal or modification of the electric facilities that might be required. After Applicant's Total Cost responsibility pursuant to this Section terminates and Applicant provides Utility with a written request and adequate documentation, Utility will release the Security.
- g. Utility's Rights. Nothing in this Section shall alter Utility's rights or remedies pursuant to any recorded property right, contract, other document or set of circumstances.

(Continued)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.11. Customer Owned Facilities

- a. Applicant's Responsibilities. Any electric appurtenances on Applicant's side of the Point of Delivery must be:
 1. constructed, owned and maintained by Applicant, and its successors or assigns, and
 2. properly inspected and approved by all applicable Governmental Entities.

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

- b. Services for Primary Facilities and HVD. An Applicant with a project requiring primary distribution of 4 KV or greater on Applicant's side of the Point of Delivery, may request Utility to:
 1. design, supply materials for, and/or construct such facilities; and/or
 2. perform routine maintenance on such facilities; and/or
 3. perform emergency services on such facilities.
- c. Total Cost Responsibility. If Utility agrees to perform one or more of the services described in Subsection A.11.b (Services for Primary Facilities and HVD), Applicant shall sign a special contract outlining the specific services to be provided and that (at a minimum):
 1. provides for the full recovery of all Utility's costs and a determination be made that the No Harm provision of Subsection A.11.d is met; and
 2. provides that the Applicant pay any current assessment, or be responsible for any future assessment, of Tax Gross-up for these CIACs pursuant to Internal Revenue Service ("I.R.S.") rulings and for which Utility may require Security.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.11. Customer Owned Facilities (Continued)

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

A.12. Applicant's Installation Requirements

- a. Applicant's Requirements. Applicant shall, at no expense to Utility, provide all labor, equipment and materials necessary for and incidental to the installation of the following facilities for any underground Line Extension or relocation, as Utility deems necessary and appropriate:
 - 1. trenching, back-filling, excavation and pavement removal; and
 - 2. restoration and repaving; and
 - 3. conduits and risers (except as noted in A.15.b (Reimbursement for Applicant Installed Conduit); and
 - 4. transformer pads, vaults, enclosures and boxes; and
 - 5. all other work and materials relating to such structures and substructures.
- b. Inspection and Ownership. After inspection and written acceptance by Utility, all such materials shall become the property of Utility and shall be maintained by Utility.
- c. Joint Trenching. Joint trenching telephone and/or cable television shall be required when:
 - 1. such arrangements are not in conflict and are consistent with Utility's Standards; and
 - 2. Utility incurs no additional expense peculiar to such arrangements; and
 - 3. the electric, telephone and/or cable television utilities serve Applicant from the same direction or along any compatible route.
- d. Utility's Rights. Nothing in this Rule prohibits Utility from continuing to install service laterals in a joint trench with other Utility facilities as addressed in Utility's Standards

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.12. Applicant's Installation Requirements

- e. Utility Standards. All work performed by Applicant under this Rule shall be in accordance with Utility's Standards and applicable federal, state and local laws and regulations.
- f. Exception for Governmental Entity. Notwithstanding the above, if Applicant is a Governmental Entity, upon written request by the Governmental Entity, Utility may perform such work on behalf of and at the sole expense of Applicant.
- g. Delays. Delays in Applicant installation of substructures will delay Utility's installation of facilities.

A.13. Advance for Non-Inventory Materials

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

A.14. Construction

- a. Furnishing of Materials and Construction. At Applicant's Total Cost, Utility shall be responsible for the furnishing of all materials required for and the construction of the Project except those materials and the construction specifically designated as Applicant's responsibility in Section A.12 (Applicant's Installation Requirements) and the construction that is performed by a DCA Contractor under Subsection A.14.c.
- b. Least Cost Materials. Utility shall:
 - 1. use Commercially Reasonable Efforts to obtain such materials at the least Total Cost that meet Utility's established Standards and specifications and are consistent with Utility's operating experience; and
 - 2. charge material and equipment Total Costs to Applicants under this Rule 9 and itself in a non-discriminatory manner.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.14. Construction

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

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

2. Eligible Facilities and Tasks.

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

- (1) installation of single-phase pad-mounted transformers; and
- (2) installation of single phase primary cable (typically 15 kV and 25 kV) in specified size of conduit; and
- (3) installation of de-energized 600 volt rated secondary and service cables; and
- (4) termination of 600 volt services at junction boxes and de-energized customer panels.

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

- (1) terminations or connections on any part of an energized system; and
- (2) installation of 3-phase underground primary cable, quadraplex secondary cable or quadraplex secondary service; and
- (3) installation of overhead facilities; and
- (4) Installation of switch/fuse cabinets, 3-phase transformers and capacitor banks.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.14. Construction (Continued)

- 3. DCA Contractor List. Utility shall pre-qualify contractors to perform construction of Line Extensions ("DCA Contractor"). Applicant may select a DCA Contractor from Utility's list of qualified contractors to perform specified tasks for construction of specified facilities of Applicant's Project.
- 4. DCA Contractor Qualifications. In order to qualify as a DCA Contractor, a contractor must meet all of the following qualifications:
 - (a) License. Possess either (1) a full C-2 License, or (2) both a C2(e) license and an A19 license, issued by the State of Nevada; and
 - (b) Qualified Employees. Employ workers properly qualified for the specific skills required; and
 - (c) Legal Compliance. Comply with all applicable federal, state and local laws and regulations (including but not limited to safety and environmental laws); and
 - (d) Technical Ability. Demonstrate technical competence and have access to adequate equipment; and
 - (e) Financial Responsibility. Demonstrate financial responsibility commensurate with the scope of the contract; carry adequate insurance coverage (worker's compensation, liability, property damage, etc); and be able to furnish a surety bond to Utility for performance of the contract, if required; and
 - (f) Assessment Test. Successfully complete an assessment test administered by Utility.
- 5. Agreement. Utility will enter into an Agreement with the DCA Contractor containing (at a minimum) the following provisions.
 - (a) Payment for Labor. The DCA Contractor will be paid by Utility for construction and installation of the specified facilities installed under the DCA Program as outlined in the DCA Contract.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.14. Construction (Continued)

5. Agreement. (Continued)

- (b) Materials. At Applicant's Total Cost, DCA Contractor shall obtain all of the materials for facilities installed under the DCA Program from Utility.
- (c) Scheduling. Applicant will work directly with the DCA Contractor for the scheduling, performance, and completion of the contracted work.
- (d) Compliance with Standards and Laws. The DCA Contractor must perform all construction in compliance with the approved design for the Project, the applicable contract with Utility, and Utility's Standards and applicable federal, state and local laws and regulations.
- (e) Utility Review. Utility shall at all times have the right to review, inspect, and approve the work performed by the DCA Contractor.

A.15. Total Costs

- a. Applicant Total Cost Responsibility. Except as otherwise specifically provided in this Rule, Applicant has Total Cost responsibility for Applicant's Project and is required to advance Total Costs prior to the start of construction.
- b. Reimbursement for Applicant Installed Conduit. For residential developments, the Total Cost for conduit and risers in a residential development or within one hundred (100) feet of a residential development shall be included in the Advance Subject to Potential Refund and shall not be subject to the requirements of Section A.12 (Applicant's Installation Requirements). Applicant shall provide and install conduit which will be valued reasonably, as determined by Utility.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.16. Proportionate Share Allocation

- a. Calculation. The Proportionate Share Allocation shall be calculated, using the data listed in Attachment 1 (Proportionate Share Allocations per Unit) to this Rule by:
 - 1. multiplying the capacity and length of the previous Line Extension to be utilized by Applicant by the Total Cost per foot per kVA listed for the type and size of conductor; and
 - 2. applying the Total Cost per kVA for switches and transformers of the previous Line Extension.
- b. Eligible for Allowance Offset. The Proportionate Share Allocation, whereby a subsequent Applicant pays a preceding Applicant, shall be included in those Total Costs that are subject to be offset by any applicable Allowance.
- c. Waiving Collection. An Applicant may waive the collection of a Proportionate Share Allocation from subsequent Applicants and the Refunds associated with those Total Costs by providing written direction to Utility in a form acceptable to Utility. An Applicant that waives collection of a Proportionate Share Allocation from a subsequent Applicant shall have its Advance Subject to Potential Refund reduced by said amount.
- d. MPC. Where such portions of a Line Extension directly connects to the electric facilities installed pursuant to a Rule 9 Agreement between a MPC and Utility, then
 - 1. where a Line Extension is located partially in a MPC and the remainder of the Line Extension is located outside the MPC, a subsequent Applicant shall pay Proportionate Share Allocations only for the portions of the Line Extension located outside the MPC; and
 - 2. Proportionate Share Allocations for Applicants shall not include MPC substation or MPC HVD Total Costs.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.17. Advance

- a. Components of Advances. Advances from Applicants have three components:
 - 1. Contribution in Aid of Construction (see Section A.7, Contributions in Aid of Construction); and
 - 2. Advance Subject to Potential Refund (see Section A.34, Definitions); and
 - 3. Tax Gross-up (see Section A.18, Taxability of Advances for Line Extensions).
- b. Advance Required with Rule 9 Agreement. Applicant shall pay to Utility the full amount of any Advance or other payment required by this Rule at the time of execution of the Rule 9 Agreement unless:
 - 1. at the request of Applicant, Utility approves a Payment Alternative in accordance with Section A.26 (Payment Alternatives); or
 - 2. by mutual agreement of Applicant and Utility, the Rule 9 Agreement is for a Phased Project.
- c. Advance Required Prior to Start of Construction. Utility is not obligated to start or continue any construction work until all such Advances and/or other payments have been made.
- d. No Interest. Utility shall not pay interest to Applicant on any Advance made by Applicant to Utility pursuant to this Rule.
- e. Advance Subject to Potential Refund Becomes a CIAC. Any portion of an Advance Subject to Potential Refund submitted in accordance with the terms of a Rule 9 Agreement, for which a Refund has not been made and for which a Refund is not due, shall be forfeited by the Applicant and accounted for by Utility as a CIAC upon the expiration of the Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.18. Taxability of Advances for Line Extensions

- a. Tax Gross-up. All Advances Subject to Potential Refund, CIACs and the reasonable value of non-cash contributions provided by Applicant as described in Section A.12 (Applicant's Installation Requirements), B.2.c (Land), and C.4.c (Substation Site) that trigger an income tax liability for Utility are subject to a Tax Gross-up (See A.34, Definitions) in accordance with NAC 704.6502 through NAC 704.6546. The Tax Gross-up shall be included in Applicant's required Advance and shall be collected by Utility on or before the execution of the Rule 9 Agreement.
- b. Effective Date of Gross-up Rate: For Standard Projects, the Tax Gross-up rate in effect on the Agreement execution date shall apply. For Large Projects, MPC Projects, Relocation and Removal Projects, Substation and HVD Projects, and Abnormal Risk Projects, the Tax Gross-up rate in effect on Construction Complete shall apply. For purposes of this provision, the Agreement execution date shall be deemed to be the date Utility prepares the Agreement for review by Applicant.
- c. No Retroactivity. Updates to the Tax Gross-up rate shall not be applied retroactively, except as provided in Attachment 2 (Taxability of Advances for Line Extensions -- Tax Gross-up Rate).
- d. Determination of Taxability. If Applicant disagrees with Utility's determination of taxability, Applicant may request that Utility seek a Private Letter Ruling from the I.R.S. advising Utility and Applicant regarding the tax treatment they can expect from the I.R.S. based upon the facts and circumstances specified by the ruling, mutually agreed upon by Utility and Applicant, provided that Applicant pays the costs Utility actually incurs to seek the Private Letter Ruling, including all costs of preparation and filing fees. As an alternative, Applicant may, at its own expense, provide an opinion from an independent CPA firm or law firm that its Advance paid to Utility is not taxable. The opinion provided to Utility must meet the threshold of a "should" opinion. While Utility is ultimately responsible for the positions taken on its tax return, it will take into consideration a "should" opinion submitted by an independent CPA firm or law firm.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

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

- e. Valuation of Non-Cash Contributions. The reasonable value of non-cash contributions is determined by Utility. In the case of a land contribution, the appraisal will be prepared by an appraiser holding a MAI membership designation from the Appraisal Institute ("MAI Appraiser") mutually agreed to by Applicant and Utility, hired by Utility and paid for by Applicant. In such case, if mutual agreement cannot be reached, Utility will hire a MAI Appraiser paid for by the Applicant. If Applicant disagrees with the value assigned to its non-cash contribution(s), it may, at its own expense, have an independent appraisal performed of the contributed property and submitted to Utility by a MAI Appraiser. While Utility is ultimately responsible for the positions taken on its tax return, it will take into consideration the Applicant's appraised value.
- f. Refunds. For Refunds resulting from Total Cost True-up (see Sections A.31, True-ups and A.32, Refunds), Utility shall return to Applicant an applicable pro rata share of the actual Tax Gross-up amount that was collected, to Applicant.
- g. Current Rates. The current Tax Gross-up rates are provided in Attachment 2 (Taxability of Advances for Line Extensions -- Tax Gross-up Rate) to this Rule.

A.19. Assignment of Rule 9 Agreements

- a. Limitations on Assignment. Executed Rule 9 Agreements may only be assigned in whole and when:
 - 1. Utility receives and accepts a properly executed assignment document prior to the termination of the Rule 9 Agreement; and
 - 2. Applicant has the legal ownership or possession of the associated development or property; and
 - 3. all outstanding Invoices and other Total Cost obligations for the Project have been paid in full.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

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

- b. Applicant Responsibilities. Utility may require the original Applicant to have continuing responsibility for some obligations. The assignee shall be bound, and in Utility's discretion must agree in writing to be bound, by all terms of Rule 9 and the assigned Rule 9 Agreement, including but not limited to the obligation for payment of Invoices, Reduction of Service and Termination Charges, and any other Total Costs which are applicable to the Project.
- c. Right to Receive Refunds. Such assignment shall apply only to those Refunds that become due more than thirty (30) days after the date of receipt by Utility of the notice of assignment. All refunds that become due prior to and including thirty (30) days after the date of receipt by Utility of the notice of assignment shall be made by Utility to the assignor.

A.20. Multiple Agreements

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

A.21. Projects of Temporary Duration

- a. No Allowance. Utility shall provide no Allowance if it is determined by Utility that the requested Temporary Service (see Rule 1) has an expected service life of eighteen (18) months or less.
- b. Total Cost Responsibility. Applicant's Total Costs shall be adjusted to include removal Total Costs and salvage credits where applicable.
- c. Required Advances. For all projects of temporary duration, prior to initiating service, Utility shall require Applicant to advance the estimated Total Costs which include costs and salvage associated with the removal of the facilities.
- d. Bill Payments.
 - 1. For a project of temporary duration of less than sixty (60) days, prior to initiating service Utility may require Applicant to advance the estimated Utility energy bill for sixty (60) days subject to adjustment to final bill for service (by Invoice or Refund).

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.21. Projects of Temporary Duration (Continued)

d. Bill Payments. (Continued)

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

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

A.22. Allowances for Projects of Short Duration

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

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

Where:

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

d = the book life for distribution assets.

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

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

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.23. Service to Large Projects

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

1. Allowance and Total Cost True-ups as specified in Section A.31 (True Ups); and
2. Applicant's responsibility for the Payment of Reduction of Service or Termination Charges in accordance with Section A.25 (Reduction of Service or Termination Charges); and
3. that applicable Security Requirements may be set at the time the Agreement is executed and may be increased or reduced to reflect changes in circumstances during the term of the Agreement to ensure Applicant's payment of any balance due resulting from True-ups and/or RSTC. Changes in circumstances include:
 - (a) after the initial allowance True-up has been completed, as specified in Section A.31 (True-Ups), the Applicant's Project has current Demand that is 50% less than the EPD; or
 - (b) Applicant has met or does not meet the criteria for establishing or maintaining Satisfactory Credit; and
 - (c) Annual review of the remaining investment to be secured results in a change in security.
4. a load schedule with Project's Estimated Full Build-out Peak Load and major milestones towards such.

A.24. Abnormal Risk Projects

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

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.24. Abnormal Risk Projects (Continued)

- b. Requirements of Abnormal Risk Projects. Utility shall require Applicant to enter into a Rule 9 Agreement with Utility establishing:
 - 1. Allowance and Total Cost True-ups as specified in Section A.31 (True-ups); and
 - 2. Applicant's responsibility for the Payment of RSTC in accordance with Section A.25 Reduction of Service or Termination Charges); and
 - 3. that applicable Security Requirements may be set at the time of the Agreement is executed and may be increased or reduced to reflect changes in circumstances during the term of the Agreement to ensure Applicant's payment of any balance due resulting from True-ups and/or RSTC. Changes in circumstances include:
 - (a) after the initial Allowance True-Up has been completed, as specified in Section A.31 (True-Ups), the Applicant's Project has current Demand that is 50% less than the EPD; or
 - (b) Applicant has met or does not meet the criteria for establishing or maintaining Satisfactory Credit; or
 - (c) a change in Utility's assessment of Applicant's or Project's Risk Profile; or
 - (d) Annual review of the remaining investment to be secured, results in a change in security.
 - 4. a load schedule with Project's Estimated Full Build-out Peak Load and major milestones towards such.
- c. Allowance for Abnormal Risk Projects. For Abnormal Risk Projects, Applicant shall not receive Upfront Allowances unless covered by Security. If the full Allowance is not granted up front, any eligible Refunds shall be prorated equally over the remaining years in the Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

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A. General Information (Continued)

A.24. Abnormal Risk Projects (Continued)

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

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

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

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

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

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

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

3. Excluded Costs. Total Costs do not include:
(a) return on the asset after the time of Termination of Service; and

(Continued)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

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

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

(b) where the Line Extension Agreement provides recovery of the estimated removal Total Costs there shall be no property tax or operations and maintenance Total Costs after the time of Termination of Service.

4. Removal Costs. Where Utility is required to remove installed facilities, any unpaid Total Costs for removal and/or salvage value will be used to adjust the termination obligation.

5. Discount Rate. Utility's weighted cost of capital at the time of the execution of the Rule 9 Agreement shall be used as the discount rate for the net present value calculation.

d. Past Obligations. Payment of the RSTC does not relieve the Applicant of the duty of making all payments that are past due, prior to the date the RSTC occurs.

e. Security. To secure payment of any potential RSTC and for the recovery of all other Total Costs or investments for Applicant's Project, Utility may establish or alter Security Requirements for Applicant or Project. Any security required under this Rule will be reviewed annually. An example calculation of the RSTC calculation that drives the security requirement will be attached to the Rule 9 Agreement as an exhibit.

A.26. Payment Alternatives

a. Alternative Payment Arrangement. At the request of Applicant, Utility may offer the option of an alternative payment arrangement for payment of required Advances.

b. Agreements. Agreements for such alternatives shall provide for:

1. Utility's recovery of all Total Costs associated with Utility's electric facilities attributed to the request of Applicant; and

2. specification of how Total Costs are to be recovered through a fee payment schedule in addition to otherwise applicable Rate Schedule charges; and

(Continued)

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ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.26. Payment Alternatives

b. Agreements. (Continued)

3. the term of the Agreement; and
4. Billing Period and payment due at each Billing Period; and
5. payment of interest for any delay beyond the prescribed sixty-day deadline to pay Invoices; and
6. termination charges; and
7. Applicable administration fees; and
8. Security Requirements.

A.27. Termination of Project

A Project may be terminated by Utility or Applicant upon mutual agreement or under circumstances identified below.

- a. Cost Responsibility. If a Project terminates, Applicant is responsible for Total Costs associated with that Project, as required by this Rule. Any applicable Refund will be determined pursuant to Subsection A.32.d.
- b. Applicant Right to Terminate. With prior written notice to Utility, Applicant may terminate the Project.
- c. Utility Right to Terminate. With prior written notice to Applicant, Utility may terminate the Rule 9 Agreement and, in the case of MPC Projects, terminate the MPC Addendum and revise the MPC Umbrella Agreement to reflect the appropriate modification in EPD and EFBPL, if:
 1. Breach of Rule 9 Agreement. Applicant breaches, as determined by the Commission, a court of competent jurisdiction or an alternative finder of fact such as a mediator or arbitrator, a Rule 9 Agreement and Applicant thereafter fails to cure the breach as provided for in the Agreement; or

(Continued)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

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A. General Information (Continued)

A.27. Termination of Project (Continued)

c. Utility Right to Terminate. (Continued)

2. Failure to Complete Construction Required Under Section A.12. Applicant and Utility signed a Rule 9 Agreement for construction of a Project requiring reservation of capacity and Applicant has not completed physical construction of 50% of the facilities Applicant is required to construct under Section A.12 within thirty (30) months of the Agreement execution date, and with respect to MPC Projects, within thirty (30) months of the effective date of the MPC Addendum that governs construction of a feeder; Utility shall first provide written notice to the Applicant and either meets and confer with Applicant to determine the status of Applicant's project and the likelihood that Applicant's project will not proceed to construction or document that it made Commercially Reasonable efforts to contact the Applicant and was unable to do so; or
3. Cessation of Construction. In the event that Applicant meets the threshold in Subsection A.27.c.2 above, but thereafter ceases construction of the facilities Applicant is required to construct under Section A.12 for a period of six (6) months or more, and twelve (12) months with respect to a feeder under a MPC Addendum, after Utility provides written notice to the Applicant and either meets and confers with Applicant to determine the status of Applicant's project and the likelihood that Applicant's project will not proceed to construction or documents that it made Commercially Reasonable efforts to contact the Applicant and was unable to do so; or
4. an event or condition occurs that is beyond Applicant's or Utility's control, is not caused by Applicant's or Utility's negligence and renders Project performance impossible or impractical as determined by Utility in consultation with the Applicant.

A.28. Disputes and Deviations from Rule 9

a. Disputes.

1. Meet and Confer. Within ten (10) business days of a written request by either Applicant or Utility notifying the other party of an issue in dispute over an unexpired Rule 9 Agreement, both parties shall meet and confer in good faith in an effort to resolve the dispute.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.28. Disputes and Deviations from Rule 9

a. Disputes. (Continued)

2. Dispute Regarding Rule 9 Agreement. Where the interpretation or application of an executed Rule 9 Agreement is disputed, Utility or Applicant may submit a request to the Commission requesting appropriate relief.
3. Dispute Regarding Application or Interpretation of Rule 9. Where the application or interpretation of the provisions of this Rule 9 are disputed or may be impractical, inequitable or otherwise inappropriate, Utility or Applicant may submit a request to the Commission, requesting appropriate relief or interpretation of the Rule.

b. Deviations.

1. Submission to Commission. Utility and/or Applicant may submit a request to the Commission to review and approve a special Rule 9 Agreement that includes deviations from the provisions of this Rule.
2. Utility's Applied Practices. Deviations are distinct and different from Utility's applied practices and administration of Rule 9 that are consistent with, but not directly specified in Rule 9.

A.29. Alternate Point of Delivery

- a. Point of Delivery. The Point of Delivery (See Rule 1) will be determined by Utility. Upon inspection and written acceptance by Utility, all of the facilities installed on Utility's side of the Point of Delivery shall be and remain the sole property of Utility.
- b. Identification of Potential Alternate Point of Delivery. Notwithstanding Section A.29.a (Point of Delivery), at the request of Applicant, Utility and Applicant may specifically identify, by township and range and the provision of maps, those facilities on Utility's side of Utility specified Point of Delivery:
 1. that are not likely to be used to serve other Customers; and

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.29. Alternate Point of Delivery (Continued)

b. Identification of Potential Alternate Point of Delivery. (Continued)

2. ownership of which by Applicant will not compromise Utility's continuing obligation to serve other Customers; and
3. that Applicant has an interest in owning.

c. Designation of an Alternate Point of Delivery. Upon identification of such facilities, pursuant to Section A.29.b (Identification of Potential Alternate Point of Delivery), Utility may designate an Alternate Point of Delivery, including Utility approval of the distance from the Alternate Point of Delivery to original Utility specified Point of Delivery. If the Alternate Point of Delivery is not acceptable to Applicant, the Point of Delivery designated by Utility shall be used.

d. Rule 9 Agreement for an Alternate Point of Delivery. If an Alternate Point of Delivery is agreed upon, Utility and Applicant will enter into a Rule 9 Agreement prior to commencement of construction, documenting the above designations, that shall include the following provisions:

1. Total Costs and Tax Gross-up Responsibility.

- (a) All Total Costs and tax consequences resulting from Applicant's decision to accept an alternate Point of Delivery and/or conveyance of facilities will be borne by Applicant; and
- (b) Should the IRS determine that any portion of the alternative ownership is a taxable event for Utility, Applicant shall pay to Utility, within thirty (30) days of a request for such payment, the Tax Gross-up in accordance with Section A.18 (Taxability of Advances for Line Extensions) based on the value (as reasonably determined by Utility) of the portion of the facility that the IRS determined created the taxable event plus any penalties that may be assessed by the IRS.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.29. Alternate Point of Delivery (Continued)

d. Rule 9 Agreement for an Alternate Point of Delivery. (Continued)

2. Conveyance of Facilities. Applicant shall, as promptly as reasonably practicable, convey to Utility any of the necessary facilities owned by Applicant as a result of the Alternate Point of Delivery in the event that Utility later determines that any portion of these facilities will be used to provide service to other Customers or for system reliability. Such conveyance shall be without expense to Utility, except for eligible Allowance, because Applicant is contributing required property and Tax Gross-up that it otherwise would have had to contribute if Utility had not agreed to an Alternate Point of Delivery.
3. Security. When an Alternate Point of Delivery is designated, Utility may establish or alter Security Requirements for a potential conveyance of facilities and require Applicant's obligations to document and record against the affected real property.
4. Restricted Use. Unless the Commission otherwise allows, facilities owned by Applicant as a result of the Alternate Point of Delivery will be restricted solely to the use of the Applicant named in the Rule 9 Agreement.
5. Applicant Responsibility. Applicant shall be responsible for obtaining all permits and property rights necessary for the installation of facilities owned by Applicant.
6. Design and Construction According to Utility Standards. Facilities that will be owned by Applicant as a result of the Alternate Point of Delivery will be designed and constructed in accordance with Utility's Standards and applicable federal, state and local laws and regulations and consistent with this Rule.

A.30. Updating Rule 9 Allowances and Refunds

The following shall be updated by Utility in each General Rate Case or by Advice Letter Filing no less than every three (3) years:

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.30. Updating Rule 9 Allowances and Refunds (Continued)

- a. Allowances provided pursuant to Section B.3 (Allowances) and Attachment 3 (Allowances for Line Extensions other than Master Planned Communities); and
- b. Refunds to Master Planned Communities provided pursuant to Section C.6 (Master Planned Community Refunding of Advances) and Attachment 4 (Refunds for Master Planned Communities); and
- c. Refunds of Proportionate Share Allocations provided pursuant to Section A.16 (Proportionate Share Allocations) and Attachment 1 (Proportionate Share Allocations per Unit).

A.31. True-ups

a. True-up of Standard Projects.

1. Allowance True-up. Where Utility has not granted the Maximum Allowance at the time of the execution of the Rule 9 Agreement, then the following provisions shall apply.

- (a) Initial Allowance True-up. Utility shall conduct an initial Allowance True-up according to the True-up timeline in A.31.e.
- (b) Subsequent Allowance True-ups. Subsequent to the initial Allowance True-up, Applicant may request that Utility further True-up the Standard Project, once each twelve-month period until the Rule 9 Agreement terminates. The Allowance True-up Support and Refunds/Invoices shall be provided within four (4) months of the Applicant's request.
- (c) One Way Refunds. Refunds for both the initial and any subsequent Standard Project Allowance True-ups are "one-way", meaning they can result in a Refund to Applicant but not result in an Invoice to Applicant.

2. Total Cost True-up.

- (a) Standard Projects are not subject to a Total Cost True-up, except for CIAC Total Cost True-ups and the Tax Gross up rate applicable to the CIAC.
- (b) CIAC Total Cost True-up will only occur if the estimate of the Project CIAC exceeds \$40,000.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.31. True-ups (Continued)

a. True-up of Standard Projects. (Continued)

2. Total Cost True-up. (Continued)

(c) Where the estimate of the Project CIAC exceeds \$40,000, Utility shall conduct a CIAC Total Cost True-up according to the True-up timeline in A.31.e.

(d) There will be no subsequent CIAC Total Cost True-up.

b. True-up of Large Projects.

1. True-up Timeline. Utility shall perform a Total Cost True-up and the initial Allowance True-up according to the True-Up timeline in A.31.e.

2. Allowance True-up.

(a) Allowance True-up of a Large Project is “two-way”, meaning it can result in an Invoice and/or Refund.

(b) For Large Projects, a subsequent Allowance True-up shall be performed based on the second twelve (12) months of load data after Construction Complete and the Allowance True-up Support and Refunds and/or Invoices shall be provided to the Applicant no later than twenty-eight (28) months following Construction Complete.

(c) Applicant may request a Subsequent Allowance True-up every twelve (12) months until the Rule 9 Agreement terminates. The Allowance True-up Support and Refunds/Invoices shall be provided within four (4) months of the Applicant’s request.

3. Total Cost-True-up.

(a) All Total Costs, including CIACs of any amount, are tried up.

(b) There will be no subsequent Total Cost True-up unless Utility did not have all Project Total Cost information when it performed the first Total Cost True-up.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.31. True-ups (Continued)

c. True-up of Substation and HVD Projects.

1. Allowance True-ups. Substation and HVD Allowances shall be trueed-up according to the True-up timeline in Subsection A.31.e, except as mutually agreed upon by Applicant and Utility, and annually thereafter at the request of Applicant or Utility.

(a) Allowance True-up of a Substation or HVD Project is “two-way”, meaning it can result in an Invoice and/or Refund.

(b) Applicant may request a subsequent Allowance True-up every twelve (12) months until the Rule 9 Agreement terminates. The Allowance True-up Support and Refunds/Invoices shall be provided within four (4) months of the Applicant’s request.

2. Total Cost-True-up. Substation and HVD Total Costs shall be trueed up according to the True-up timeline in A.31.e, except as mutually agreed upon by Applicant and Utility.

d. True-up of Relocation and Removal Projects:

1. True-up Timeline. The initial Allowance True-up, if the Project qualifies for it, and Total Cost True-up will both be performed according to the True-up timeline in A.31.e. No Subsequent True-ups will be conducted on Relocation and Removal Projects.

2. Allowance True-up.

(a) Eligibility for Allowance True-up. A Relocation and Removal Project is eligible to receive an Allowance True-up only if it is determined at the time of contract that the project will result in an increase in Demand or Units.

(b) Allowance True-up of a Relocation and Removal Project is “two-way”, meaning it can result in an Invoice and/or Refund.

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ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.31. True-ups (Continued)

d. True-up of Relocation and Removal Projects: (Continued)

3. Total Cost True-up.

- (a) All Total Costs are trued up.
- (b) There will be no subsequent Total Cost True-up unless Utility did not have all Project Total Cost information when it performed the first Total Cost True-up.

e. Pertaining to all True-ups.

- 1. True-up Support. The True-Up Support (Allowance True-up Support, Total Cost True-up Support and CIAC Total Cost True-up Support) and Refunds and/or Invoices shall be provided to the Applicant no later than sixteen (16) months following Construction Complete. Utility will notify the Applicant of any delay in providing such Support package.
- 2. Initial Allowance True-ups. All initial Allowance True-ups shall be based on actual load data for the first twelve (12) months after Construction Complete.
- 3. Total Cost True-ups. If there are Total Costs that will not be finalized or known until after the 12-month True-up period, including but not limited to third-party vendor invoices and Total Costs for obtaining rights of way, Utility will list those Total Cost items as part of the Total Cost True-up and provide an estimate of those costs based on the information available to Utility at the time. Utility will Invoice or Refund Applicant separately as Total Costs are received.

f. True-up of MPC Projects. MPC Projects are not subject to a Total Cost True-up, except for a true-up of the Tax Gross-up rate pursuant to Attachment 2.

A.32. Refunds

a. Limitations on Refunds.

- 1. Refunds shall be made when warranted by True-ups.
- 2. Allowance, MPC and Proportionate Share Refunds:
 - (a) are limited to the remaining balance of the Advance Subject to Potential Refund, and

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.32. Refunds (Continued)

a. Limitations on Refunds: (Continued)

2. Allowance, MPC and Proportionate Share Refunds: Continued
 - (b) reduce the remaining balance of the Advance Subject to Potential Refund.
3. The Refund amounts resulting from a Project's (a) Allowance True-ups, (b) MPC Refund True-ups, and/or (c) Proportionate Share Refunds may be insufficient to refund the Project's entire remaining balance of the Advance Subject to Potential Refund.
4. No True-ups or Refunds shall be made for additional loads or additional units that occur after the expiration of the Rule 9 Agreement.
5. No Cost True-up Refund shall be issued until all construction Total Costs are final, subject to the discretion of Utility to issue such a Refund sooner.
6. Refunds shall only be paid for permanent structures.
7. Refunds for Abnormal Risk Projects are subject to Subsection A.24.c.

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b. Refund Timeline.

1. Eligible Refund. After a Total Cost, Allowance or MPC Refund True-up, Utility shall Refund to Applicant, if Applicant is eligible for a Refund resulting from the True-up, any applicable remaining balance of the Advance Subject to Potential Refund for the corresponding Project which qualifies for Refund based on the True-up.
2. Timeline. Any eligible initial Allowance or Total Cost Refund will be sent to Applicant within sixteen (16) months of Construction Complete, except as mutually agreed upon by Applicant and Utility. When any subsequent Allowance True-up is requested in writing by Applicant, any eligible Refund will be sent to Applicant within ninety (90) days of the written request.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.32. Refunds (Continued)

b. Refund Timeline. (Continued)

3. CIAC Total Cost True-up. For a Project which requires a CIAC Total Cost True-up and the CIAC Final Total Cost is less than Applicant's CIAC Advance by more than \$1,000, Utility shall send Applicant within sixteen (16) months of Construction Complete a Refund for such difference along with an explanation of what caused Applicant's CIAC Advance to exceed the CIAC Final Total Cost.
4. Proportionate Share Allocation. Proportionate Share Allocation Refunds shall be sent to the previous Applicant within sixty (60) days after the subsequent Applicant connects to the previous Applicant's facilities.
5. MPC Refunds. MPC Refunds for Distribution Feeders earned each year shall be paid within four (4) months of the annual anniversary date of the MPC Umbrella Agreement concurrent with any Refund paid pursuant to Subsection C.6.a (Refunds for MPC Substations and MPC HVD).

c. Administration of Refunds.

1. Tax-Gross-Up. Utility will refund a pro rata share of the Tax Gross-up applicable to any Refunds made to Applicant.
2. Joint Advance Subject to Potential Refund. In those cases where two or more Applicants submit an Advance for the same Rule 9 Agreement, Utility shall distribute refundable amounts to such parties in the same proportion as their individual Advances bear to the joint total Advance, unless otherwise directed in writing by all Applicants.
3. Accumulation of Small Refunds. Notwithstanding anything to the contrary, Refunds due to Applicant may be accumulated to a sum of fifty dollars by Utility prior to making a Refund payment to Applicant. Any eligible remaining balance shall be paid to Applicant at the expiration of the Rule 9 Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.32. Refunds (Continued)

c. Administration of Refunds. (Continued)

- 4. Information Required. Utility is not obligated to provide any Refund for any Project until Applicant has provided the addresses for all units to be served pursuant to the Rule 9 Agreement.
- 5. MPC Refunds. MPC Refunds shall be provided pursuant to Section C.6.
 - (a) A CIAC paid by Applicant pursuant to Subsection A.7.a.6 shall not be subject to Refund.
 - (b) Refunds shall reduce the distribution feeder Advance Subject to Refund balance by the amount, not including the Tax Gross-up pursuant to Section A.18 (Taxability of Advances for Line Extensions), which is refunded pursuant to Subsection A.32.c.1. (Administration of Refunds).

d. Accounting for Projects That Are Terminated or Expire Without Reaching Construction Complete.

- 1. Accounting for Terminated Project. If a Project is terminated pursuant to Section A.27 by either Applicant or Utility, Utility will perform an accounting pursuant to Subsection A.32.d.3.
- 2. Accounting for Expired Contract. If a Project has not reached Construction Complete and the term of the Rule 9 Agreement for that Project has expired, upon receiving the written request of Applicant, Utility will perform an accounting pursuant to Subsection A.32.d.3 . Such written request must be received by Utility within ninety (90) days of the expiration of the Rule 9 Agreement.
- 3. Accounting and Refund or Invoice.
 - (a) Standard Projects. For Standard Projects, Utility will provide an accounting triggered by Subsections A.32.d.1 or A.32.d.2 to Applicant of unspent and uncommitted funds and a Refund or Invoice based on the accounting within ninety (90) days after:

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.32. Refunds (Continued)

d. Accounting for Projects That Are Terminated or Expire Without Reaching Construction Complete. (Continued)

3. Accounting and Refund or Invoice. (Continued)

(1) the termination of the Project if the Project is terminated pursuant to Section A.27; or

(2) receipt of Applicant's written request for accounting if the written request is received pursuant to Subsection A.32.d.2.

(b) Other Projects. For other Projects, Utility will provide an accounting triggered by Subsections A.32.d.1 or A.32.d.2 to Applicant of unspent and uncommitted funds and a Refund or Invoice based on the accounting within one-hundred eighty (180) days after:

(1) the termination of the Project if the Project is terminated pursuant to Section A.27; or

(2) receipt of Applicant's written request for accounting if the written request is received pursuant to Subsection A.32.d.2.

(c) Projects Subject to RSTC. Projects subject to Reduction of Service and Termination Charges are excluded from this provision and follow the appropriate provisions of Section A.25 of this Rule 9.

A.33. Invoices

a. Invoice Timeline.

1. Invoice for Allowance or Total Cost True-up. If the results of a True-up require payment by Applicant to Utility, an Invoice ("Invoice") will be sent to Applicant within sixteen (16) months of Construction Complete, except as mutually agreed upon by Applicant and Utility.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

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A. General Information (Continued)

A.33. Invoices: (Continued)

a. Invoice Timeline. (Continued)

2. CIAC Total Cost True-up. For a Project which requires a CIAC Total Cost True-up and the CIAC Final Total Cost is more than Applicant's CIAC Advance by more than \$1,000, Utility shall send Applicant within sixteen (16) months of Construction Complete an Invoice for such difference along with an explanation of what caused the CIAC Final Total Cost to exceed Applicant's CIAC Advance.
3. Applicant Payment. Applicant shall pay Utility within sixty (60) days of receiving an Invoice.

b. Failure of Timely Payment. Notwithstanding any other provision in this Rule, if an Applicant fails to pay any Invoice within the required timeframe, then Utility may require the provision of Security.

c. Offset. Notwithstanding any other provision in this Rule, Utility may offset any sum or obligation in connection with the Project owed by Utility to Applicant against any sum or obligation in connection with the Project owed by Applicant to Utility.

A.34. Rule 9 Definitions

a. Definition Groups. Following are groups of related Rule 9 Definitions with common or interrelated themes and should be read within their mutual contexts.

Advance:

- Advance
- Advance Subject to Potential Refund
- Contribution in Aid of Construction (CIAC)
- Tax Gross-Up

Agreements:

- Abnormal Risk Agreement
- Design Initiation Agreement
- Large Project Line Extension Agreement
- MPC Addendum
- MPC Umbrella Agreement

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ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

Agreements: (Continued)

- Relocation and Removal Agreement
- Standard Line Extension Agreement
- Substation and HVD Agreement
- Rule 9 Agreements (encompassing all of the above)

Allowance and Refunds:

- Actual Peak Demand or Units (APD)
- Allowance
- Allowance True-up
- Estimated Peak Demand or Units (EPD)
- Maximum Allowance
- Refund
- Revenue-Based Allowance
- Tax Gross-Up
- Up-front Allowance

Peak Demands:

- Actual Peak Demand or Units (APD)
- Demand
- Estimated Full Build-out Project Load (EFBPL)
- Estimated Peak Demand or Units (EPD)
- Maximum Demand
- Peak Demand

Project:

- Abnormal Risk Project
- Large Project
- Master Planned Community Project or MPC Project
- Phased Projects
- Project
- Relocation and Removal Project
- Standard Project
- Substation and HVD Project

Property:

- Prior Right
- Property
- Property Rights

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

Proportionate Share:

Proportionate Share
 Proportionate Share Allocation
 Proportionate Share Refund

Risk:

Abnormal Risk
 Abnormal Risk Agreement
 Letter of Credit
 Risk Profile
 Satisfactory Credit
 Security
 Security Requirements
 Stranded Investment
 Surcharge
 Unsecured Credit

Total Costs:

Final Total Costs
 Estimated Total Costs
 Total Costs
 Total Cost True-up

True-ups:

Actual Peak Demand or Units (APD)
 Allowance True-up
 Estimated Total Costs
 Estimated Peak Demand or Units (EPD)
 Final Total Costs
 Total Cost True-up

Wires and Connections:

Alternate Point of Delivery
 Contingent Facilities
 Distribution Lines
 Distribution Feeder
 High Voltage Distribution (HVD)" or "HVD Feeder
 Line Extension
 Point of Delivery

(Continued)

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

b. Acronyms. The following Acronyms are used throughout the Rule:

1. APD: Actual Peak Demand or Units
2. CIAC: Contribution in Aid of Construction
3. DIA: Design Initiation Agreement
4. EFBPL: Estimated Full Build-out Project Load
5. EPD: Estimated Peak Demand or Units
6. HVD: High Voltage Distribution
7. LGE: Local Government Entity
8. MPC: Master Planned Community
9. RSTC: Reduction of Service or Termination Charge

c. Definitions. For the purpose of this Rule, the terms and expressions listed below shall have the meanings set forth herein. Rule 1 has further Definitions that are used in Rule 9.

“**Abnormal Risk**” is defined in Rule 1.

“**Abnormal Risk Agreement**” is a Rule 9 Agreement for an Abnormal Risk Project (see Section A.24 Abnormal Risk Projects).

“**Abnormal Risk Project**” is a Project deemed Abnormal Risk pursuant to Rule 1.

“**Actual Peak Demand or Units**” (“**APD**”) is the maximum demand (kVa) or installed units measured at the time of Allowance True-up (see Section A.31 True-ups) of Applicant’s Line Extension.

“**Advance**” under this Rule is the amount that Applicant submits to Utility at the time of execution of the Agreement to fund the Project. The Advance has three components: (1) Contribution in Aid of Construction (“**CIAC**”); (2) Advance Subject to Potential Refund; and (3) Tax Gross-up (see Section A.17 Advance).

“**Advance Subject to Potential Refund**” is that portion of the Advance that may be refunded to Applicant when specified conditions are met. The Advance Subject to Potential Refund at the time of the execution of the Rule 9 Agreement is the Project’s Total Cost minus any CIAC and/or Up-front Allowance. The balance of the Advance Subject to Potential Refund is adjusted to the extent Refunds or Invoices are issued as a result of True-ups and as Proportionate Share Refunds are administered.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Affiliate**” means a business organization or nongovernmental legal entity that (1) is under common control with Applicant, (2) has an ownership interest in all or part of Applicant or Applicant’s project, and/or (3) is the successor-in-interest of Applicant or of all or a portion of Applicant’s project.

“**Allowance**” is a general term that can refer to either the Up-front Allowance, the Maximum Allowance or Allowance through Refund. It is a credit provided to Applicant and is applied to Applicant’s required Advance of Total Costs of the Project, in the form of either an Up-front Allowance or an Allowance through Refund (up to the amount of the Maximum Allowance). An Allowance cannot be applied to a CIAC.

“**Allowance True-up**” means the determination of the Actual Peak Demand or Units served and the re-calculation of the Allowance justified based on the Actual Peak Demand or Units served as provided in Section A.31 (True-ups).

“**Allowance True-up Support**” means the data that supports or verifies the Actual Peak Demand or Units served and the work papers that are the basis for the Allowance True-up calculation including the difference between the EPD and APD and the effect of the difference on the Allowance and the Refunds, with confidential information redacted.

“**Alteration of Existing Facilities**” means the modification, rearrangement, relocation, or removal of any of Utility’s existing facilities for any purpose.

“**Alternate Point of Delivery**” has the meaning ascribed to it in Section A.29 (Alternate Point of Delivery).

“**Applicant**” is defined in Rule 1.

“**Billing Period**” is defined in Rule 1.

“**Bonus Depreciation**” is an additional tax depreciation allowance equal to a set percentage of the adjusted basis of eligible qualified property placed in service during specified qualifying periods, pursuant to federal statute and implementing Internal Revenue Service regulations.

“**CIAC Total Cost True-up Support**” includes, for those costs that are a CIAC, itemization of labor costs, itemization of the cost of stock materials, vendor invoices for non-inventory materials purchased for the Project, but with information Utility is required to keep confidential redacted, itemization of any other CIAC costs, work papers, verification and calculation of all Utility project overheads, and other information used to complete the CIAC Total Cost True-up, with confidential information redacted. Applicant may review other non-confidential documentation related to the project costs at Utility’s office during Utility’s regular business hours but must provide a written request at least one-week in advance.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Commercially Reasonable Efforts**” means that, with respect to a given goal, the efforts that a reasonable Person in the position of Applicant or Utility would use so as to achieve that goal as expeditiously as possible but does not mean that either Applicant or Utility must take any actions that would cause it to incur an expense or suffer any other detriment out of reasonable proportion to the benefits to Applicant or Utility in connection with the Project.

“**Commission**” is defined in Rule 1.

“**Construction Complete**” means the date that Utility completes all construction-related work for the Project in accordance with the Rule 9 Agreement. Construction Complete is used to establish the timing of True-ups, although its application is not limited to True-ups. Service wires are not required to be installed at Construction Complete. (see Section A.31 True-ups).

“**Contingent Facilities**” means electric facilities that are anticipated to be installed for a different Applicant and the installation of which is assumed in the binding design and cost estimate of Applicant’s Project.

“**Contribution in Aid of Construction**” (“**CIAC**”) is defined in Rule 1.

“**Customer**” is defined in Rule 1.

“**Demand**” is defined in Rule 1.

“**Deposit**” is defined in Rule 1.

“**Developer Contracts Administration Program**” (“**DCA Program**”) is defined in Subsection A.14.c.

“**DCA Contractor**” is defined in Subsection A.14.c.3.

“**Design Initiation Agreement**” (“**DIA**”) is a Rule 9 Agreement for design of a Project (see Section A.2 Engineering, Design & Inspection).

“**Distribution Feeder**” means, generally, any of the following types of facilities:

- (1) 3-1/0 underground primary cable that is installed in excess of five hundred (500) feet from the service connection point of the Applicant’s project site; or
- (2) 3-1000 MCM underground primary cable at any length, which may include a switch fuse cabinet, capacitor bank and/or manholes; or
- (3) 3-Phase overhead primary conductor at any length, which may include the replacement or installation of new wood or steel poles, but excludes secondary cable.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Distribution Lines**” is defined in Rule 1.

“**Estimated Full Build-out Project Load**” (“**EFBPL**”) is the estimated peak demand – at the time of design or execution of the Agreement, or as periodically updated – represented by the total ultimate build-out load (kVa) of all anticipated phases of a development on Applicant’s site or Applicant’s adjacent sites (see Section A.3 Minimum Requirements). Applicant, and not Utility, shall be responsible for the EFBPL

“**Estimated Peak Demand or Units**” (“**EPD**”) is an estimate, made at the time of the execution of the Rule 9 Agreement, of Applicant’s development’s (1) Maximum Demand (kVa) or (2) number of Units to be constructed during the term of the Rule 9 Agreement.

“**Estimated Total Costs**” means those Total Costs, including CIACs, estimated in the design phase and applied at the time of the execution of the Rule 9 Agreement.

“**Final Total Costs**” means Total Costs, including CIACs, that Utility audited and adjusted accordingly at the time of True-up after all Total Costs have been finalized.

“**Franchisor**” means a local Governmental Entity (“LGE”) authorized to issue a franchise pursuant to NRS Chapter 268 and Chapter NRS 709 specifically.

“**Governmental Entity**” has the meaning given in Rule 1.

“**High Voltage Distribution**” (“**HVD**”) or “**HVD Feeder**” refers to electric line facilities that are typically above 35 kV but provide a distribution function or establish an interconnection between Utility’s electric system and a distribution substation or a customer’s load while providing a distribution function.

“**Large Project**” is a Line Extension (excluding residential subdivisions with structures less than five stories) with (1) new capacity of 1 MW or more, as determined by Utility or (2) estimated Line Extension construction Total Costs exceeding \$400,000 to a single customer (see Section A.23 Service to Large Projects).

“**Large Project Line Extension Agreement**” is a Rule 9 Agreement for a Line Extension for a Large Project (see Section A.23 Service to Large Projects and “Projects” in Definitions A.34).

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Letter of Credit**” means a document that a bank or other financial institution issues to a seller of goods or services that guarantees a buyer's payment to the seller will be on time and for the correct amount. When the buyer is unable to make payment, the issuer of the Letter of Credit has the obligation to cover the unpaid amount. Utility requires Letters of Credit from financial institutions rated A or above by at least one of the ratings agencies Standard and Poor’s or Moody’s.

“**Line Extension**” is defined in Rule 1.

“**Master Planned Community**” (“**MPC**”) has the meaning given in Section C.2 (Definition of MPC).

“**Master Planned Community Addendum**” or “**MPC Addendum**” is an addition to, and part of, a MPC Umbrella Agreement. Specific Distribution Feeders and related facilities that are contemplated in a MPC Umbrella Agreement will be installed, altered, relocated or removed pursuant to the MPC Addendum, however, it excludes facilities that will be installed, altered, relocated or removed pursuant to a Line Extension Agreement or an S/HVD Agreement. Utility will provide Refunds, if any, to a MPC Applicant through the MPC Umbrella Agreement of which the MPC Addendum is a part, not through a MPC Addendum, however, the Refund level shall be as provided for in the MPC Addendum.

“**Master Planned Community Project**” or “**MPC Project**” is a Line Extension, substation and/or HVD constructed to serve a Master Planned Community.

“**Master Planned Community Umbrella Agreement**” or “**MPC Umbrella Agreement**” is a Rule 9 Agreement for a Master Planned Community Project (see Section C).

“**Maximum Allowance**” means the Allowance based on the Line Extension’s total Estimated Peak Demand or Units. Typically, only a portion of the Maximum Allowance, the Upfront Allowance, is granted at time of execution of the Agreement.

“**Maximum Demand**” is defined in Rule 1.

“**Meter**” or “**meter**” as is defined in Rule 1.

“**Minimum Requirements**” has the meaning ascribed to it in Section A.3 (Minimum Requirements).

“**New Service**” is defined in Rule 1.

“**Parent**” is defined in Rule 1.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Peak Demand**” is a general term used to refer to Estimated Peak Demand or Units, Actual Peak Demand or Units, and Estimated Full Build-out Peak Load.

“**Permanent Service**” is defined in Rule 1.

“**Person**” is defined in Rule 1 and is also defined in the Nevada Revised Statutes Section 0.039.

“**Phased Projects**” refers to an interconnected set of Line Extension Projects for single or multiple adjacent developments proposed and/or sponsored by the same Applicant over a span of years on the same or adjacent premises. A Phased Project can be installed in multiple phases, each under a separate Rule 9 Agreement or within a single Rule 9 Agreement.

“**Point of Delivery**” is defined in Rule 1.

“**Premise**” is defined in Rule 1.

“**Prior Right**” means a real property right such as an easement or prescriptive right, a right of way grant issued by the federal government or a permanent or non-revocable grant, permit or license in a particular location that is prior in time to another Person’s right to use the real property in that same location. The existence of a Prior Right must be supported by a copy of the real property right/document. If no such document can be produced, Utility must provide a statement clarifying the Prior Right that is signed by an officer, director or manager of Utility who declares that the information set forth in the claim is accurate and complete. The claim must be accurate and include supporting proof that a Prior Right exists for Utility’s facilities.

“**Project**” means the installation of a Line Extension, substation, HVD and/or relocation, removal or alteration of existing Utility facilities.

“**Project Facilities**” means any Utility facilities used for, supporting or associated with providing service to Applicant’s development.

“**Property**” means premise(s) owned or controlled by Applicant commonly defined by address or cross streets or name of subdivision and further described as being within APN(s) or Subdivision Map.

“**Property Rights**” means real property rights, including but not limited to easements, rights of entry, subordination agreements, conveyances, deeds, transmission use agreements, Permits, prescriptive rights, and rights-of-way.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“Proportionate Share” enables an Applicant that previously funded a secondary, primary, or HVD Line Extension and transformers to obtain a Refund from a subsequent Applicant that directly connects to the Line Extension funded by Applicant (See Section A.16 Proportionate Share Allocations). This pass-through mechanism is administered by Utility, but Utility does not keep any portion of the Proportionate Share Allocation. Such Allocations and subsequent Refunds are based on a pro rata share of the full capacity of the Line Extension previously funded by Applicant to which a subsequent Applicant directly connects.

“Proportionate Share Allocation” means the Total Cost allocation to a new Applicant by which they compensate a prior Applicant that previously funded facilities eligible for Proportionate Share. See Appendix 1 for table of Proportionate Share Allocations.

“Proportionate Share Refund” means the Refund a prior Applicant receives resulting from a Proportionate Share Allocation. Typically Applicant will not receive a full Refund solely from Proportionate Share Refunds for the entire amount of its initial Advance Subject to Potential Refund (Section A.16 Proportionate Share Allocations). The Proportionate Share Refund cannot exceed the original Applicant’s remaining Advance Subject to Potential Refund for the specific Line Extension(see schedule in Attachment 1 Proportionate Share Allocations per Unit.).

“Reduction of Service” is defined in Rule 1.

“Reduction of Service or Termination Charges” (“RSTC”) means the process by which Utility recovers remaining Utility’s investment in a Project and other associated Total Costs for which the Applicant is responsible at the time that the Reduction of Service or Termination of Service threshold are met, as defined in Rule 1.

“Refund” means the return of eligible portions of any remaining balance of the Project’s Advance Subject to Potential Refunds, as a result of:

- (1) Line Extension Allowance True-up;
- (2) Total Cost True-up;
- (3) Proportionate Share Allocation;
- (4) CIAC Total Cost True-up; or
- (5) Return of deposit for non-standard inventory.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Relocation and Removal Agreement**” is a Rule 9 Agreement for a Relocation and Removal Project (see Section A.6, Alteration of Existing Facilities).

“**Relocation and Removal Project**” is a Project to modify, rearrange, relocate or remove any of Utility’s existing facilities for any purpose that does not affect a net increase in demand or the number of units that will take service, pursuant to Section A.6 (Alteration of Existing Facilities).

“**Revenue-Based Allowance**” means an individually calculated Maximum Allowance for a Project based on its Estimated Peak Demand (EPD), consisting of that portion of an Applicant’s revenue stream (excluding O&M) designed in rates to recover the Total Costs of the facility and which does not duplicate any other Allowance or Refund granted to any Applicant.

“**Risk Profile**” means the totality of circumstances that may affect the ability of Applicant or Applicant’s project (defined as the new loads enabled by the Line Extension) to make sustained bill payments, by which Utility may fully recover its Rule 9 investment(s) in facilities that are required for or are associated with providing Service to the development. The initial assessment or Risk Profile reviews current and past Demand history relative to EPD, financial condition, and the ability of Applicant or Applicant’s project to meet the criteria for establishing or maintaining Satisfactory Credit. When any of these parameters indicate an adverse change in financial condition or decline in Risk Profile for Applicant or Applicant’s project, then the following factors may also be considered: competitive position, industry risk, operational risk, business prospects, and potential litigation.

“**Rule**” is defined in Rule 1.

“**Rule 9 Agreements**” is a general term encompassing a written contract between Utility and Applicant that documents the parties’ agreement concerning one or more provisions of this Rule, related sections in the Tariff Schedules and/or Utility’s policies, procedures and practices. Utility may use other types of agreements that are not specifically referred to in this Rule in order to effectuate the purposes of this Rule.

“**Security**” means a cash Deposit, Letter of Credit, Parent Guarantee, Applicant’s real property, an Affiliate’s obligation and/or qualification of Unsecured Credit by Utility to back potential liabilities including but not limited to Allowance and Total Cost True-up Invoices and Reduction of Service and Termination Charges or any other Total Costs incurred by Utility in connection with Applicant’s Project.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Security Requirements**” means the obligation in force throughout the term of the Agreement for Applicants with Abnormal Risk, Large Projects, or S/HVD Agreements to provide, increase or reduce Security when warranted by the state of Applicant’s Risk Profile, credit-worthiness and/or ability to meet the criteria to establish and maintain Satisfactory Credit or pursuant to an annual review of the investment to be secured. For Applicants or Projects with a Security Requirement, Utility has a right to request audited financials prior to the execution of the Rule 9 Agreement or during the term of the Rule 9 Agreement. In the event that Applicant fails to provide financials when requested, its classification with Utility may default to high credit risk, result in the rescinding of all utilized unsecured credit and the downgrading of Applicant’s and/or Project’s Risk Profile. Security shall be returned at expiration of the Rule 9 Agreement.

“**Satisfactory Credit**” is defined in Rule 1.

“**Service**” is defined in Rule 1.

“**Service Location**” is defined in Rule 1.

“**Service Wires or Connection**” is defined in Rule 1.

“**Standard Line Extension Agreement**” is a Rule 9 Agreement for a Standard Project.

“**Standard Project**” is generally a Line Extension that is smaller than a Large Project and is distinct from Abnormal Risk Projects, Large Projects, MPC Projects, Relocation and Removal Projects, and Substation and HVD Projects.

“**Standards**” is defined in Rule 1.

“**Stranded Investment**” in the context of Rule 9 only applies as explicitly stated or as included in Total Costs in Sections A.22 and A.25. It refers to any Utility investments for which bill payments resulting from the Applicant’s Project that contribute to the recovery of Utility’s investment in such facilities are reduced or eliminated, permanently or temporarily. This is limited to significant upstream substation, HVD and Distribution Feeder capacity. The determination of Stranded Investment is limited to facilities identified at the time of the execution of the Agreement that can be reasonably estimated and are directly attributable to the Applicant’s Project.

“**Subdivision**” is defined in Rule 1.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Substation and HVD Agreement**” or “**S/HVD Agreement**” is a Rule 9 Agreement used when Applicant has a Total Cost responsibility for a substation and/or HVD to serve Applicant’s load pursuant to Section B.2 (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations).

“**Substation and HVD Project**” or “**S/HVD Project**” means a Project where Applicant has a Total Cost responsibility for a substation or HVD to serve Applicant’s load pursuant to Section B.2 (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations).

“**Surcharge**” means an alternative monthly payment option whereby Applicant pays an Advance for facilities over a fixed period of time, usually 5-10 years, in accordance with Section A.24 (Payment Alternatives).

“**Tax Gross-up**” means the income tax liability of Utility for Advances Subject to Potential Refund, CIAC, and the reasonable value of Applicant’s non-cash contributions under Section 118 of the Internal Revenue Code that Applicant must pay in accordance with NAC § 704.6532 and Section A.18 (Taxability of Advances for Line Extensions).

“**Temporary Service**” is defined in Rule 1.

“**Term**” means the length of a Rule 9 Agreement, and the period for which Applicant’s Project is eligible for Refunds.

“**Termination of Service**” is defined in Rule 1.

“**Tests**” is a general term used in Sections B.2 (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations) and C.4, (Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations) for specific applications for determining Applicant’s Total Cost responsibility for substations and HVD. The “60 % Test” and “80% Test” are general terms for Tests applied to non-MPC substations and HVD (Section B.2) and MPC substations and HVD (Section C.4).

“**Timely Payment**” is defined in Rule 1.

“**Total Cost True-up**” refers to the audit of a Project or determination of the Final Total Costs, including CIAC Total Cost True-ups. A Total Cost True-up results in the adjustment of the Estimated Total Costs of the Project as provided in the Section A.31 (True-ups).

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ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Total Cost True-up Support**” includes itemization of labor costs, itemization of the cost of stock materials, vendor invoices for non-inventory materials purchased for the Project, but with information Utility is required to keep confidential redacted, itemization of any other Total Costs, work papers, verification and calculation of all Utility project overheads, and other information used to complete the Total Cost True-up, with confidential information redacted. Applicant may review other non-confidential documentation related to the project costs at Utility’s office during Utility’s regular business hours but must provide a written request at least five (5) business days in advance.

“**Total Costs**” means all costs associated with a Project, in addition to those costs specifically delineated elsewhere in the Rule. Utility’s estimated and final costs for and/or associated with an Applicant’s Project shall include, but are not limited to all of the following:

- (1) regulatory, environmental and other governmental fees; and
- (2) material including poles, wire, insulators, transformers, switches, cables, cable in conduit, connections, terminations, transformers, and other such appurtenances; and
- (3) labor including survey, right of way, construction, engineering, inspection, and supervision, transportation, equipment; and
- (4) associated overheads and other such costs which, in the reasonable opinion of Utility, are related to the such Project; and
- (5) removal of any existing facilities (less salvage value); and
- (6) Stranded Investments; and
- (6) any alteration, modification or improvement of existing facilities which is required to provide the requested service to Applicant.

“**Unsecured Credit**” means the amount of potential liabilities and future obligations with Utility that Applicant or counterparty has that Utility, pursuant to its risk management practices, evaluates as relatively secure. For example, Applicants with Satisfactory Credit have sufficient Unsecured Credit to cover a minimum of two (2) months of bill payments. Applicants are able to comply partially or completely with their Security Requirements with Unsecured Credit based on their credit worthiness as determined by Utility (see Letter of Credit, Risk Profile, and Security Requirements).

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ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

A. General Information (Continued)

A.34. Rule 9 Definitions : (Continued)

c. Definitions: (Continued)

“**Up-front Allowance**” means that portion of the Maximum Allowance that Utility credits Applicant at the time of the execution of the Rule 9 Agreement to offset part or all of Applicant’s required Advance Subject to Potential Refund. Utility will calculate the Up-front Allowance based on Applicant’s representation and Utility’s reasonable expectation that the supporting number of meters and/or Demand will be initiated within the 12-month period following Construction Complete. Utility may apply standard percentages for this purpose per Section B.3 (Allowances).

“**Utility**” is defined in Rule 1.

“**Utility’s Operating Convenience**” is defined in Rule 1.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
 (Continued)

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B. All Projects Except Master Planned Communities

B.1. Applicability

Section B applies to all Projects except those that are defined as Master Planned Communities in Section C of this Rule.

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations

a. Determining Total Cost Responsibility. As described below in Subsections B.2.a.1 and B.2.a.2, the following Tests apply to determine if a Substation or HVD project is required principally for the purpose of providing service to the Applicant. If so, the Applicant will have a Total Cost responsibility for the new substation or HVD installation. These Tests are to be performed, prior to the execution of a Rule 9 Agreement, using the Applicant's Estimated Full-Build-out Project Load planned to be served from the new Substation or HVD facilities. Subsequently, the Tests will be performed per Subsection B.2.e using the data for an Applicant's Peak Demand on the new substation or HVD facilities. The construction of a substation or HVD facility is deemed to be required principally for the purpose of providing service to an Applicant's project if the portion of the Applicant's Estimated Full-Build-out Project Load that is planned to be served from the new substation is estimated by Utility to be equal to or greater than:

1. For a Substation:

- (a) sixty percent (60%) of the standard design Minimum Requirement transformer nameplate capacity of the first phase of the substation at the time that the first phase of the substation is Construction Complete (the transformer nameplate capacity of the first phase of the substation is initially assumed to be the nameplate capacity of the first transformer); or
- (b) eighty percent (80%) of the forecasted aggregate load of all Customers to be served by this substation within the first 10-year period. The 10-year period begins at the time that the first phase of the substation is Construction Complete.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

2. For High Voltage Distribution:

- (a) sixty percent (60%) of the standard design Minimum Requirement HVD rated capacity at the time that the HVD is Construction Complete; or
- (b) eighty percent (80%) of the forecasted aggregate load of all Customers to be served by this HVD within the first 10-year period. The 10-year period begins at the time that the HVD is Construction Complete.

3. Redundant and Back-up Capacity: Redundant and back-up capacity, beyond the Minimum Requirements to serve Applicant's load, shall not be used in applying Subsections B.2.a.1. and B.2.a.2.

4. Initial and Subsequent Projects: Initial and subsequent Applicants' Projects that do not meet the criteria in Subsections B.2.a.1 and B.2.a.2 initially or post Construction Complete shall not have direct substation or HVD Total Cost responsibility.

5. For Applicants Who do not Meet Minimum Criteria: For Applicants for whom Utility is building substation or HVD which do not meet the criteria in Subsections B.2.a.1 and B.2.a.2, Subsection B.2.c.3 (Providing Rights of Way to Utility) shall apply.

b. Components of Total Cost Responsibility. In such case(s) where the new substation and/or HVD are required to principally serve Applicant's project as determined above, and in addition to those Total Costs specifically delineated elsewhere in Rule 9, Applicant shall enter into an agreement with Utility ("S/HVD Agreement") and be required to submit an Advance to Utility equal to the sum of the following Total Costs. (HVD-only Project would not include items (1) and (2):

- 1. 100% of Transformer Total Costs. 100% of the Total Cost of the Minimum Requirement first phase substation transformer(s), however, when the substation shall also serve other projects of other Applicants that have signed an Agreement with Utility to take service from that substation, the Total Costs for Applicant with Total Cost responsibility shall be prorated; plus

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

b. Components of Total Cost Responsibility. (Continued)

2. Proration of Barebones Full Build-out Substation. The entire remaining Total Cost of the first phase of the substation, absent transformer Total Costs, designed to meet Utility's Standards and to serve the EFBPL, including without limitation the substation site, on-site and off-site improvements, including the fair market value of any Utility or Applicant-contributed real property or improvements, prorated by Applicant project's share of the full build-out capacity of the facilities; plus
3. Rights of Way. Pursuant to Rule 9, Section A.9, (Property Rights), 100% of the Total Cost of any required rights of way, including those from a party that Applicant does not directly or indirectly control and is not controlled by or under common control with Applicant ("third party"); plus
4. HVD. The Total Cost of any HVD, prorated by the ultimate load share of Applicant's project relative to either the full build-out capacity of the substation or the full build-out capacity of the HVD, as Utility deems appropriate; minus
5. Allowances. Any applicable Rule 9 substation or HVD construction Allowances, when granted.

c. Land. Applicant shall make available a substation site mutually acceptable to Applicant and Utility, only if Utility has not previously acquired a substation site that Utility deems appropriate for the new substation. Applicant shall also provide to Utility's satisfaction:

1. grading of that portion of the substation site to finished grade required for Applicant's Minimum Requirements; and
2. on-site and off-site improvements; and
3. rights of way and easements to Utility that Utility deems necessary or incidental for the HVD and/or substation.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

- d. Credit for Real Property and Improvements. Utility will purchase the improved substation site from Applicant, if one is necessary pursuant to Subsection B.2.c, at the fair market value of any real property and improvements made available by Applicant based on the purchase price or on an appraisal prepared pursuant to Subsection A.18.e (Valuation of Non-Cash Contributions). The substation site shall be and remain the sole property of Utility.
- e. Post Construction Substation and HVD Tests.
 - 1. Recalculation of Tests. Twelve (12) months after the new substation or HVD is Construction Complete, Utility shall recalculate the Tests using updated capacity and load information, as Utility deems appropriate. Based on the results of the post Construction Complete Tests and the Final Total Cost information, Utility shall recalculate all required Advances and Allowances and will return any overpayment or submit an Invoice to Applicants as appropriate pursuant to Subsection B.2.e.2.
 - 2. Change in Total Cost Responsibility. If the Applicant's Total Cost responsibility was determined based on the initial Tests (see Subsection B.2.a), then there will only be an increase in Applicant's Total Cost-responsibility allocation as a result of post Construction Complete Tests if the Applicant increases its EFBPL. There may be a decrease in the Applicant's Total Cost responsibility allocation as a result of the post Construction Complete Tests if the Applicant reduces its EFBPL and/or additional subsequent Applicants have added verified load that requires installation of additional transformers. A subsequent Applicant's Total Cost responsibility allocation will be based on its EFBPL at the time of the post Construction Complete Tests. Also refer to Subsection B.2.I (Subsequent Applicants). Any Total Cost responsibility will be adjusted based on the Total Cost True-up, pursuant to Subsection A.31.c (True-Up of Substation and HVD Projects).

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

(D, N)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

- f. True-ups. Any True-up of associated Large Projects required by Rule 9, Section A.23, (Service to Large Projects), shall also be conducted by Utility in accordance with Section A.31, (True-Ups).
- g. Substation and HVD Allowances. These Allowances:
 - 1. are Revenue-Based Allowances developed using the expected revenue designed to recover a specific type of investment (substation, HVD or, where applicable, additional distribution) over the term of the S/HVD Agreement; and
 - 2. may be applied to offset the Advance Subject to Potential Refund required for any associated Line Extension. In a parallel fashion, any Line Extension Allowances associated with the Substation and HVD Project may be applied to offset the Substation Advance Subject to Potential Refund and/or the HVD Advance Subject to Potential Refund; and
 - 3. are determined on a case-by-case basis. An additional Allowance shall be granted for Applicants who are responsible for all distribution facilities directly serving the load between the substation for which they are held responsible pursuant to this Section and their Point of Delivery. That Allowance will be a Revenue Based Allowance representing the investment supported by 50% of the applicable non-substation, non-HVD, non-customer and non-facilities related distribution revenue. An Applicant may request additional Allowance based on more than 50% of the applicable revenue. In such instances, Utility, Applicant and Staff of the Commission shall confer and Utility and Staff of the Commission shall jointly determine the appropriate amount of additional Allowance to be granted.
- h. HVD Allowances.
 - 1. HVD must be directly connected to Federal Energy Regulatory Commission jurisdictional transmission facilities to qualify for an HVD Allowance.

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ELECTRIC LINE EXTENSIONS
(Continued)

B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

h. HVD Allowances.

2. HVD Allowances can be granted for both overhead and underground installations, however, HVD Allowances are limited to the estimated cost of facilities installed in an overhead configuration.

i. Substation and HVD refunds. For the calculation of Refunds, True-up of Substation or HVD loads shall include the load of Applicant and the load of all other Customers that are utilizing these facilities when the True-up is performed.

j. Substation Agreement Term. Substation and HVD Agreements shall be for ten (10) years and shall be eligible for True-up over the term of the Substation and HVD Agreement.

k. Termination of S/HVD Agreement. If an Applicant's project does not take Permanent Service for any portion of its contracted capacity from that new substation and/or HVD within five (5) years from the date that the S/HVD Agreement is executed:

1. Utility may notify the Applicant in writing that Utility desires to terminate the S/HVD Agreement. Applicant can agree to terminate the S/HVD Agreement or provide Utility written notice that Applicant desires to maintain the Agreement. In the event that the Agreement is terminated, Applicant is responsible for all (a) Total Costs associated with the substation and/or HVD that Utility has incurred to date, including land, easements and improvements for which Applicant is obligated to pay, and (b) Total Costs that result from termination upon being provided a written accounting of the Total Costs by Utility; and

2. if the Agreement is terminated pursuant to Section B.2.k.1, prior to commencement of construction of the substation or HVD, with the consent of the Applicant, Utility may (in its discretion) retain ownership of land, right of way and/or improvements if it compensates Applicant for the fair market value of the land, right of way and/or improvements based on an appraisal prepared by a MAI Appraiser mutually acceptable to Applicant and Utility and paid for by Applicant; and

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ELECTRIC LINE EXTENSIONS
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B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

k. Termination of S/HVD Agreement. (Continued)

3. if the Agreement is terminated pursuant to Section B.2.k.1, after the commencement of construction of the substation or HVD, the Applicant will forfeit any spent or committed Total Costs upon being provided a written accounting of the spent or committed Total Costs by Utility.

l. Subsequent Applicants. If there is a reasonable probability, as determined by Utility, that subsequent Applicants may meet the criteria in Subsections B.2.a.1 or B.2.a.2 post Construction Complete, then Utility may require the subsequent Applicant to provide Security at the time the Agreement is executed in order to secure payment of subsequent Applicant's potential future Total Cost responsibility, should subsequent Applicant meet the criteria post Construction Complete.

m. Redevelopment Districts

1. Plans for Full Build-out of Project(s). Redevelopment districts whose projects in whole require new substations and/or HVD shall provide Utility the best available information on an ongoing basis regarding the district's EFBPL and area plan in order to facilitate design and installation of facilities that best serve the end users' and developers' Projects within the redevelopment district, including:

- (a) the expected location; and
- (b) timing; and
- (c) capacity requirements; and
- (d) load of all known and anticipated developments within the district

2. Total Cost Responsibility. Utility shall determine the Total Cost responsibility for each Applicant within the redevelopment district individually, consistent with the general application of this Rule including the use the above Tests and calculations. Redevelopment district master planning, in itself, shall not constitute requiring construction of a substation or HVD under this Section or cause the redevelopment district to be deemed an Applicant.

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ELECTRIC LINE EXTENSIONS
(Continued)

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B. All Projects Except Master Planned Communities

B.2. Applicant Cost Responsibility for Substation and High Voltage Distribution Installations (Continued)

- n. Customer Owned Substation High Side Facilities. If a current or future Customer or Applicant builds a Customer owned substation, Customer or Applicant shall contribute to Utility all land, design and construction required for switching and high-side facilities of the substation, and any required HVD for interconnection with Utility's transmission system. All such shall be designed and constructed to Utility Standards.
- o. Existing Load Transferred to a Customer Owned Substation. Where existing load is served through a Utility owned substation and/or HVD, and this existing load is transferred to a customer-owned substation and/or HVD, then Applicant/Customer will be subject to the Total Costs associated with that portion of the Utility owned substation and/or HVD required to serve the Applicant/Customer, including substation and HVD capacity not expected to be used to serve other Customers within three (3) years.

B.3. Allowances

- a. Allowance Amounts. Allowance for Line Extensions other than those designated as Master Planned Communities as referred to in this Rule shall be calculated using the data listed in Attachment 3, (Allowances for Line Extensions other than Master Planned Communities) to this Rule.
- b. Reduction of Advance Subject to Potential Refund. Utility shall reduce the amount of Applicant's required Advance Subject to Potential Refund by an amount equal to the granted Up-front Allowance as determined by Utility in accordance with the specifications of this Rule.
- c. Up-front Allowance Based Upon Expectation of Demand within 12 Months. Utility may apply any portion of the Allowance in advance of construction of the Line Extension facilities where there is a reasonable expectation that the supporting number of meters and/or demand will be initiated within the twelve-month period following Construction Complete.

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ELECTRIC LINE EXTENSIONS
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B. All Projects Except Master Planned Communities

B.3. Allowances (Continued)

- d. Standardized Percentages. Where applicable, Utility may apply estimates by rate class or other Customer groupings of the expected percentage of load that will be realized within the first twelve (12) months following Construction Complete. These standardized percentages will be applied to the Maximum Allowance to determine the Up-front Allowance to be granted at the time of the execution of the Agreement. These expected load percentages may be based on historical data or other appropriate estimation methods.
- e. Expectation of Meter Additions and/or Demand. Where such reasonable expectation as stated in Section B.3.c, (Up-front Allowance Based Upon Expectation of Demand or units within 12 months) does not exist, then Utility shall not apply any portion of the Allowance that is not supported by anticipated meter additions and/or demand increases until such time as the meter additions and/or demand increases actually occur.
- f. Allowances for Substations and HVD Projects. Allowances for Projects governed by Section B.2, (Applicant Cost Responsibility for Substation and High Voltage Distribution Installations) shall be as provided in Subsections B.2.g and B.2.h.
- g. No Allowance After Expiration of Term. No Allowance shall be given for any additional meters and/or additional demand that occurs after the Rule 9 Agreement terminates.
- h. Permanent Structures. An Allowance shall only be applicable to permanent structures/load connected to a Line Extension during the term of the Rule 9 Agreement.

B.4. Term

- a. Standard Line Extension Agreement. The term of a Standard Line Extension Agreements shall be five (5) years from the date it is executed.
- b. Large Project Line Extension Agreement. The term of a Large Project Line Extension Agreement shall be seven (7) years from the date it is executed.

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(Continued)

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B. All Projects Except Master Planned Communities

B.4. Term (Continued)

- c. Abnormal Risk Agreement. The term of an Abnormal Risk Agreement shall be ten (10) years from the date it is executed.
- d. Substation and HVD Agreement. The term of an Substation and HVD Agreement shall be ten (10) years from the date it is executed.

C. Master Planned Communities

C.1. Applicability

The following terms and conditions in this Part C shall be applicable to a Line Extension constructed for the purpose of providing electric service to Master Planned Communities.

C.2 Master Planned Community Definition

- a. Requirements. A Master Planned Community ("MPC") typically is a large community of new homes that features community entries, parks, recreational areas, schools, community shopping, and/or a multi-use commercial development. Within a MPC there are smaller communities offering a variety of home styles built by one or more contractors or developers. More specifically, a MPC means a development with the following size and load:
 - 1. 125 acres or more that is to be developed as a single community for:
 - (a) one or more planned unit residential developments, and/or
 - (b) one or more public, quasi-public, commercial or industrial areas with diversified ownership; or
 - 2. between 75 acres and 125 acres that is to be developed as a high-density single community:
 - (a) for one or more planned unit residential developments and/or

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

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C. Master Planned Communities

C.2 Master Planned Community Definition

a. Requirements. A Master Planned Community ("MPC") typically is a large
2. (Continued)

(b) for one or more public, quasi-public, commercial or industrial areas with diversified ownership; and

(c) that has an EFBPL of:

(1) 10 MVA or greater for service from Utility's 12 kV distribution system; or

(2) 20 MVA or greater for service from Utility's 25 kV distribution system.

The EFBPL of Applicant's project shall be determined by Utility on the basis of information provided by Applicant.

b. Other Voltages. For Applicant's MPC as described in Subsection C.2.a.1(b) for proposed Distribution Feeders of voltages other than 12 kV and 25 kV, Utility shall determine if Applicant's project is a MPC on a case-by-case basis based on the totality of the relevant circumstances.

C.3. Master Planned Community Boundary

a. Exhibit. The MPC Applicant shall provide Utility an exhibit that clearly identifies all parcels that are included within the boundaries of the MPC and clearly identifies parcels that are within islands of the MPC that are not part of the MPC.

b. Changes to Exhibit. Any changes to the MPC exhibit after the MPC Umbrella Agreement has been executed will only take effect after an amendment to that MPC Umbrella Agreement has been executed by both Applicant and Utility. The exhibit provided by the MPC Applicant shall be an attachment to the MPC Umbrella Agreement, and Utility and Applicant shall sign and date each page of the MPC exhibit attached to the MPC Umbrella Agreement.

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ELECTRIC LINE EXTENSIONS
(Continued)

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C. Master Planned Communities (Continued)

C.4. Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations

a. Determining Total Cost Responsibility. The installation of a substation or HVD is deemed to be required principally for the purpose of providing service to a MPC Project pursuant to the following Tests when the portion of Applicant's development's Estimated Full-Build-out Project Load that is planned to be served from the new substation is estimated by Utility to be equal to or greater than:

1. For a Substation.

- (a) sixty percent (60%) of the standard design Minimum Requirement transformer nameplate capacity of the first phase of the substation at the time that the first phase of the substation is Construction Complete (the transformer nameplate capacity of the first phase of the substation is initially assumed to be the nameplate capacity of the first transformer); or
- (b) eighty percent (80%) of the forecasted aggregate load of all Customers served by this substation over the term of the MPC Umbrella Agreement.

2. For High Voltage Distribution.

- (a) sixty percent (60%) of the standard design Minimum Requirement HVD rated capacity at the time that the HVD is Construction Complete; or
- (b) eighty percent (80%) of the forecasted aggregate load of all Customers' served by this HVD over the term of the MPC Umbrella Agreement.

Redundant and back-up capacity, beyond the Minimum Requirements to serve Applicant's load, shall not be used in applying Subsections C.4.a.1 and C.4.a.2.

MPC Projects that do not meet the criteria in Subsections C.4.a.1 and C.4.a.2 shall not have direct substation or HVD Total Cost responsibility.

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ELECTRIC LINE EXTENSIONS
 (Continued)

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C. Master Planned Communities (Continued)

C.4. Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations

b. Applicant Total Cost Responsibility.

1. For MPC Projects meeting the criteria in Subsections C.4.a.1 or C.4.a.2, Utility will, at its sole expense, construct such substation and/or HVD if:
 - (a) the substation is within 2 miles of an existing, energized substation that can fully serve the MPC; and
 - (b) the timing of construction of the facility is consistent with the timing contained in Utility's HVD and Distribution Substation Plan.
2. If such substation is:
 - (a) not within 2 miles of an existing, energized substation; or
 - (b) Applicant requests that the substation be constructed prior to the date planned in Utility's HVD and Distribution Substation Plan.

then the Advance Subject to Potential Refund required from Applicant to Utility shall be increased to include Utility's Estimated Total Cost of such substation and/or HVD. To the extent the overhead HVD necessary for interconnection of the substation exceed two miles, the Applicant shall provide a Contribution in Aid of Construction for such cost.
3. Where the substation and/or HVD shall also serve Customers located outside the MPC boundary, the Total Costs shall be prorated by capacity allocated to Applicant and Applicant shall then only be required to advance the prorated portion allocated to Applicant.
4. With respect to the substation costs delineated in Subsection C.4.b.2, the Applicant is only responsible for advancing the Total Costs of:
 - (a) the first transformer bank to be installed in the substation, and

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ELECTRIC LINE EXTENSIONS
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C. Master Planned Communities (Continued)

C.4. Applicant Cost Responsibility for Master Planned Community Substation and High Voltage Distribution Installations

b. Applicant Total Cost Responsibility. (Continued)

4. (Continued)

- (b) all substation facilities required to place the first transformer bank in full operation with such facilities sized for the EPD of the substation, and
- (c) engineered provisions to enable Utility to expand the capacity of the substation without the requirement for substation outages.

5. Substation Site. For all substations where Utility determines that the MPC Project meets the criteria in Subsections C.4.a.1 or C.4.a.2, then Applicant shall provide at no expense to Utility a substation site mutually acceptable to Applicant and Utility. In addition Applicant shall be responsible for the cost of the following:

- 1. grading of that site to finished grade; and
- 2. onsite and offsite improvements and rights-of-way; and
- 3. rights of way as required for the distribution and HVD for the substation.

C.5. Master Planned Community Advance

a. Payment for Single Phased Projects Required Prior to Construction. Before the commencement of construction of a Line Extension pursuant to a MPC Umbrella Agreement, Applicant must submit an Advance, equal to Utility's entire estimated Total Cost of constructing a Line Extension of sufficient capacity (kVA), including substation and HVD Total Costs if any, required to serve EPD of Applicant's MPC Project.

b. Payment for Phased Projects. Notwithstanding Subsection C.5.a, where a MPC Project is to be constructed in phases, the Advance shall be made in phases with the Advance for each phase submitted to Utility prior to the initiation of construction of the facilities for that phase.

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ELECTRIC LINE EXTENSIONS
(Continued)

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C. Master Planned Communities (Continued)

C.6. Master Planned Community Refunding of Advances.

- a. Refunds for MPC Substations and MPC HVD. Refunds for substations and HVD shall be computed based on the load experienced by the substation or HVD.
- b. MPC Substation and HVD Refund Timeline. Eligible Refunds shall be computed and paid annually based on the highest demand recorded in the prior twelve (12) months, commencing twelve (12) months following the execution date of the MPC Umbrella Agreement.
- c. Calculation of Refund for MPC Substation and MPC HVD. The following formula shall be utilized to determine the annual Refund:

Annual Refund =

$$\frac{A \times C}{B} - D$$

Where:

A is the Advance Subject to Potential Refund for substation and HVD Total Costs.

B is the capacity allocated to Applicant or 22 MW, whichever is less.

C is the highest demand recorded in the substation for the 12-month period being evaluated.

D is the sum of all such annual Refunds previously made pursuant to the MPC Umbrella Agreement.

- d. Refunds for Distribution Feeders.
 - 1. MPC Refunds based on Subsequent Line Extensions. For Distribution Feeders installed pursuant to a MPC Umbrella Agreement or MPC Addendum, Refunds shall only be earned for subsequent Line Extensions that are located within the MPC and utilize the electric facilities installed pursuant to the MPC Umbrella Agreement to obtain electric service.

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<p>Issued: 08-09-13</p> <p>Effective: 08-12-13</p> <p>Advice No.: 538-E-R(1)</p>	<p>Issued By: Michael J. Carano Executive</p>	
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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

C. Master Planned Communities (Continued)

C.6. Master Planned Community Refunding of Advances.

d. Refunds for Distribution Feeders.

2. Aggregation of Refunds for Distribution Feeders. Refunds for Distribution Feeders within the MPC boundary shall aggregate and be applied to offset the aggregate Total Cost of all Advances Subject to Potential Refund paid by the MPC for Distribution Feeders within the MPC on the anniversary date of the MPC Umbrella.

e. MPC Refund Amounts. Refund amounts for Distribution Feeders shall be calculated using the data listed in Attachment 4, (Refunds for Master Planned Communities) to this Rule.

f. MPC Addendum Agreement Refunds and Tax Gross-ups. A MPC Addendum or MPC S/HVD Agreement executed pursuant to a MPC Umbrella Agreement shall be governed by the version of Rule 9 that is in effect on the effective date of the MPC Umbrella Agreement, with the exception of the following:

1. The Refund level for a MPC Addendum and a MPC S/HVD Agreement shall be the Refund level in effect in Rule 9 on the effective date of the Addendum or S/HVD Agreement.
2. The Tax Gross-up rate applicable to the MPC Addendum or MPC S/HVD Agreement shall be determined pursuant to Section A.18.b.

C.7. Master Planned Community Term

a. MPC Umbrella Agreement Term. The term of a MPC Umbrella Agreement shall be fifteen (15) years from the date both Applicant and Utility first executed the MPC Umbrella Agreement. A MPC Addendum or MPC S/HVD Agreement terminates when the MPC Umbrella Agreement pursuant to which it is executed terminates, either through expiration of the MPC Umbrella Agreement or through some other method of termination.

b. Term of Line Extensions within a MPC. Except as otherwise specifically allowed in Section A.23 (Large Projects) and Section A.24 (Abnormal Risk Projects), the term of Rule 9 Agreements for any Line Extensions within the MPC boundary other than the Rule 9 Agreement governing the Distribution Feeders and substations, shall be five (5) years from the date the Line Extension Agreement is executed by both Applicant and Utility. If the term of the Line Extension Agreement extends beyond the term of the MPC Umbrella Agreement, Refunds will be made pursuant to the Line Extension Agreement until the expiration of the Line Extension Agreement.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

D. Implementation

D.1. Previous Rule Agreements

Any Applicant who has a signed Rule 9 Agreement for a physical connection to Utility's electric system under the previously authorized version of Rule 9 shall have such request honored by Utility, and that Rule 9 Agreement will be administered pursuant to the version of Rule 9 that was in effect at the time Applicant and Utility executed the Rule 9 Agreement.

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D.2. Refunds Based on Rule in Effect at Time of True-up

Notwithstanding Section D.1, for Rule 9 Line Extension Agreements, MPC Addendum and Umbrella Agreements executed on or after the filing date of October 1, 2012 of the Advice Letter for modifying the 2003 Rule and prior to the effective date of the rule adopted by the Commission pursuant to that filing in Dockets 12-10004 and 12-10005, a True-up or MPC Refund or Proportionate Share Refund calculation shall use the Allowance, MPC Refund or Proportionate Share Refund amounts from the version of Rule 9 that is adopted by the Commission pursuant to that filing in Dockets 12-10004 or 12-10005.

D.3. Term of Rule 9 Agreement

Notwithstanding Section D.1, for Rule 9 Large Project Line Extension Agreements, MPC Umbrella Agreements, and Abnormal Risk Agreements executed on or after the filing date of October 1, 2012 of the Advice Letter for modifying the 2003 Rule and prior to the effective date of the rule adopted by the Commission pursuant to that filing in Dockets 12-10004 and 12-10005, the term of such Agreement shall be the term of such Rule 9 Agreement that is part of the version of Rule 9 that is adopted by the Commission pursuant to that filing in Dockets 12-10004 or 12-10005.

(N)

(N)

D.4. Effective Date for All other Provisions

All other provisions of Rule 9 Agreements executed after the effective date of the rule adopted by the Commission in Dockets 12-10004 and 12-10005, shall be subject to the provisions of the approved Rule 9 that is effective on the date the agreement is executed.

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**Rule No. 9
ELECTRIC LINE EXTENSIONS**

(Continued)

**ATTACHMENT 1 – RULE 9 OF SIERRA PACIFIC POWER COMPANY
PROPORTIONATE SHARE ALLOCATIONS PER UNIT**

4 – 12 KV

Phase	Type	Wire	Transformer	Switch	Total Cost/kVA	Total Cost/Ft/kVA
1	O/H	#2				\$0.05165
3	O/H	#2				\$0.01222
3	O/H	397.5				\$0.00234
3	O/H	795				\$0.00297
1	U/G	1/0				\$0.03235
3	U/G	1/0				\$0.01217
1	U/G	1/0 Res				\$0.03869
3	U/G	1/0 Res				\$0.02710
3	U/G	1000				\$0.00359
1	O/H		15-75 KVA		\$163.54	
1	U/G		25-100 KVA		\$119.48	
3	U/G		75-500 KVA		\$79.66	
3	U/G		750-2500 KVA		\$25.48	
3	U/G			200 Amp	\$19.48	
3	U/G			600 Amp	\$5.14	

25 KV

Phase	Type	Wire	Transformer	Switch	Total Cost/kVA	Total Cost/Ft/kVA
1	O/H	#2				\$0.02583
3	O/H	#2				\$0.00611
3	O/H	397.5				\$0.00117
3	O/H	795				\$0.00149
1	U/G	1/0				\$0.01728
3	U/G	1/0				\$0.00661
1	U/G	1/0 Res				\$0.02044
3	U/G	1/0 Res				\$0.01461
3	U/G	1000				\$0.00162
1	O/H		15-75 KVA		\$164.18	
1	U/G		25-100 KVA		\$114.30	
3	U/G		75-500 KVA		\$78.97	
3	U/G		750-2500 KVA		\$23.08	
3	U/G			200 Amp	\$9.77	
3	U/G			600 Amp	\$2.59	

Note: The Total Cost per foot per KVA for residential overhead Line Extensions at all voltages and the unit Total Costs for any Line Extensions involving voltages greater than 25 KV shall be individually calculated.

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<p>Issued: 10-27-17</p> <p>Effective: 01-10-18</p> <p>Advice No.: 601-E</p>	<p>Issued By: Douglas A. Cannon Senior Vice President</p>	
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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 2 – RULE 9 OF SIERRA PACIFIC POWER COMPANY

TAXABILITY OF ADVANCES FOR LINE EXTENSIONS – TAX GROSS-UP RATE

The current Tax Gross-up rate for

- 1. depreciable distribution or transmission property of less than 69 kV is 13.9%; and (R)
- 2. depreciable distribution or transmission property equal to or greater than 69 kV is 10.6%; and (R)
- 3. non-depreciable property is 26.6%. (R)

If the U.S. Government changes the depreciation rate for public utility line extension assets through Bonus Depreciation on a retroactive basis to an earlier date than the date of enactment, and where

- (1) a Rule 9 Project is a Large Project, a MPC Project, a Relocation and Removal Project, or a Substation and HVD Project, and
- (2) the effective date of the Tax Gross-up rate for such Project, as provided in Section A.18.b, falls within the enacted Bonus Depreciation period,

then as part of the Total Cost True-up of such Project pursuant to Section A.31, the Utility shall calculate the Tax Gross-up rate applicable to such Project utilizing the methodology mandated by NAC 704.6532 and applying thereto the depreciation rate that applies to Utility on the effective date of the Tax Gross-up rate for such Project pursuant to Section A.18.b.

Utility will use that calculated Tax Gross-up rate in the Cost True-up of such Project.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 3 – RULE 9 OF SIERRA PACIFIC POWER COMPANY
ALLOWANCES FOR LINE EXTENSIONS OTHER THAN MASTER PLANNED COMMUNITIES

Allowance provided under Section B.3, (Allowances) of this Rule for Line Extensions other than those designated as Master Planned Communities as referred to in this Rule shall be calculated as follows:

Customer Class*	Allowance	
Schedule D-1, per unit	\$3,985	(I)
Schedule D-1-NEM, per unit	\$3,985	(I)
Schedule DM-1, per unit	\$865	(R)
Schedule DM-1-NEM, per unit	\$865	(R)
Schedule GS-1, per meter		
Secondary voltage (less than 4 kV), per meter	\$10,751	(I)
Primary voltage (4 kV – 25 kV), per meter	\$3,623	(I)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-1-NEM, per meter		
Secondary voltage (less than 4 kV), per meter	\$10,751	(I)
Primary voltage (4 kV – 25 kV), per meter	\$3,623	(I)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule IS-1, per kVA	\$87	
Schedule IS-2: A Revenue-Based Allowance calculated for low voltage distribution investments. Currently, this rate class is not eligible for Allowances because the IS-2 rate does not recover any facilities investments.		
Schedule GS-2		
Secondary voltage (less than 4 kV), per kVA	\$257	(I)
Primary voltage (4 kV – 25 kV), per kVA	\$96	(I)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-2-TOU		
Secondary voltage (less than 4 kV), per kVA	\$188	(I)
Primary voltage (4 kV – 25 kV), per kVA	\$153	(I)
High voltage distribution (greater than 35 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-3		
Secondary voltage (less than 4 kV), per kVA	\$167	(I)
Primary voltage (4 kV – 25 kV), per kVA	\$137	(I)
High voltage distribution (greater than 25 kV): A Revenue-Based Allowance calculated for high voltage distribution investments.		
Schedule GS-4: GS-4 Applicants have no specific Allowance, however, customer specific facilities investments may be made by Utility pursuant to this Rule. The Total Cost for the customer specific facilities shall be recovered in accordance with the specific service agreement and rates pursuant to Schedule No. GS-4 or as provided for in Section A.26, (Payment Alternatives).	None	

*Allowance for optional classes are the same as the standard offering schedule.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

ATTACHMENT 4 – RULE 9 OF SIERRA PACIFIC POWER COMPANY

REFUNDS FOR MASTER PLANNED COMMUNITIES

Refunds provided under Section C.6, (Master Planned Community Refunding of Advances) of this Rule for Distribution Feeders installed to serve Master Planned Communities as referred to in this Rule shall be calculated as follows:

Customer Class*	Refund
Schedule D-1, per unit	\$563
Schedule D-1-NEM, per unit	\$563
Schedule DM-1, per unit	\$299
Schedule DM-1-NEM, per unit	\$299
Schedule GS-1, per meter	\$785
Schedule GS-1-NEM, per meter	\$785
Schedules GS-2	\$223
Schedules GS-2-TOU	\$249
Schedule GS-3	\$276
Schedules GS-4	None

(R)
(R)
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*Allowance for optional classes are the same as the standard offering schedule.

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Rule No. 9
ELECTRIC LINE EXTENSIONS
(Continued)

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ATTACHMENT 5 – RULE 9 OF SIERRA PACIFIC POWER COMPANY

ALLOWANCES FOR PROJECTS OF SHORT DURATION

Following is a Table that provides the calculated values of the formula provided for Allowance calculations for a 30-year book life. The appropriate book life should be used for each application pursuant to Section A.22, (Allowances for Projects of Short Duration).

Year	Percentage of Allowance
2	9.7%
3	18.5%
4	26.5%
5	33.8%
6	40.5%
7	46.5%
8	52.0%
9	56.9%
10	61.5%
11	65.6%
12	69.3%
13	72.7%
14	75.8%
15	78.6%
16	81.2%
17	83.5%
18	85.6%
19	87.5%
20	89.3%
21	90.9%
22	92.3%
23	93.6%
24	94.8%
25	95.9%
26	96.9%
27	97.8%
28	98.6%
29	99.3%
30	100.0%

(D, N)

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