



Sierra Pacific[™]
RESOURCES

Company
Overview



Smart Choices. **New** Direction.





Who We Are

Sierra Pacific Resources (SPR) is the electric utility for much of Nevada and the Lake Tahoe area of California. We also are a distributor of natural gas and own an interstate natural gas transmission partnership, as well as energy service companies. We are one of the fastest growing energy companies listed on the New York Stock Exchange.

The growth and success of SPR has been fueled by diversification and innovation. We're always looking for the smart choices and always ready to move in a new direction. When we uncover new opportunities to expand or extend our business, we seize them.

Smart choices and new directions are also the hallmarks of our people strategy. We hire intelligent people who bring diverse backgrounds and innovative perspectives to our business to help us grow and succeed.

We want you if:

- ▶ You are ambitious
- ▶ You consistently seek challenges
- ▶ You work well independently or in a team
- ▶ You bring a fresh perspective to work every day

Great People. Smart Choices. New Direction.

Sierra Pacific Resources has a great strategy for delivering exceptional results to our constituencies—hire great people, give them the right training, create exciting opportunities for them, and reward them for their efforts. Our belief is that great people will make **smart choices** and continue to take us in new directions to meet the current and future needs of our customers, our investors and themselves.

Join Sierra Pacific Resources, and **help us make a difference.**

Delivering Exceptional Value

We are committed to operating our business with excellence, and being the best utility company in the business. Our goal is to create and deliver exceptional long-term value to our three primary constituencies:

- ▶ Our customers,
- ▶ Our investors, and
- ▶ Our employees.

We want you to be in all three constituencies. That way you can directly experience the exceptional value provided by SPR employees.

We can deliver exceptional value to our customers, investors and employees because we are guided by core corporate values. These are:

- ▶ **Integrity** – acting in the best interest of all three groups, not just one or two.
- ▶ **Innovation** – constantly seeking a better way to meet the needs of the people we serve.
- ▶ **Teamwork** – expecting the best from ourselves and each other and working together to achieve it.
- ▶ **Accountability** – making commitments and always meeting them.
- ▶ **Diversity** – assuring that our different experiences and perspectives are used to make our team stronger and more innovative.
- ▶ **Stewardship** – working to assure that we manage and use our resources to the benefit of our three primary constituencies, as well as to the community at large and the environment in which we live and operate.

Our employees are one of SPR's most important resources. If you join us, you will have the ability to influence how SPR delivers value to our constituencies. You also will have a responsibility to see that you and the people you work with deliver that value while adhering to our corporate values.





Our **Total Rewards** Program

One of the smart choices SPR made a while back was to take a new direction with our pay, benefits and other programs, and create a program of total rewards. We recognize that the value employees bring to the organization is multi-dimensional and, therefore, our rewards program is multi-dimensional.

Pay, which includes overtime pay and bonuses for those who are eligible, is the most visible reward in our total rewards program. Other rewards include:

- ▶ Training and learning opportunities,
- ▶ Career advancement,
- ▶ Paid time off,
- ▶ Health and wellness benefits,
- ▶ Income protection benefits,
- ▶ Retirement benefits,
- ▶ Survivor benefits, and
- ▶ Other benefits.

Each of these rewards has been designed to provide flexibility to meet your career needs. How you take advantage of the total rewards program is up to you. You can choose whether to participate and, in some cases, you can choose the level at which you want to participate. The program also gives you the flexibility to change your participation throughout your career.

Employee Benefits

Employee benefits are an important part of the total rewards program and a significant part of each employee's overall compensation. They provide a level of safety and financial security, and increase total compensation over the amount paid as cash compensation.

At SPR, our goal for the benefits program is to offer a comprehensive set of benefits that are both flexible in their design and accessible when you and your family need them. Here's what you can expect when you become part of the SPR team.

The Financial Value of Employee Benefits

Paid Time Off

SPR provides 19 days of personal paid time off plus .58 days for each year of service. In addition, SPR provides 8 paid holidays each year.

Health And Wellness Benefits

Medical and Prescription Drug Plans and Options

Smart choices and a new direction epitomize our medical plan. Currently, we offer three medical plan options, administered by Aetna. These are:

- ▶ Aetna Advantage
- ▶ Aetna Select HMO
- ▶ Health Savings Account (HSA)

With each option you have the coverage and protection you need, and the flexibility to select the cost structure most comfortable to you. Each option also provides pharmacy benefits.

Also, with each of these options we offer four levels of coverage for yourself and your family. If a family member gains or loses eligibility, you have the flexibility to change your level of coverage. Our new direction consolidates our medical options with one vendor to allow us to leverage our relationship to the best advantage of you and SPR. This relationship gives you access to a variety of health-related tools and programs.

Additionally, adding the HSA option takes our offerings in a new direction. It places in your hands more control over your medical care and costs. By actively managing your health care costs, you benefit directly.





The wellness features of our medical program change the focus of benefits from just treating disease to helping to prevent it from the outset. The program offers a health risk assessment and health screenings. Health screenings include body mass index (BMI), blood pressure/pulse, cholesterol and glucose. These help identify some of the most common chronic conditions, all of which can have a significant impact on your quality of life and all of which can be treated inexpensively, if identified early.

Dental Options

The SPR Dental plan provides coverage for preventive care through major services, including orthodontia. It also offers a dental provider network and the flexibility to receive services in-network, and reduce your costs, or out-of-network, where you can use any provider you want.

Vision Options

The SPR Vision plan provides coverage for examinations, eyeglasses and frames, contact lenses and laser vision correction. It also offers a vision provider network and the flexibility to receive services in-network, and reduce your costs, or out-of-network, where you can use any provider you want.

Flexible Spending Accounts

SPR offers flexible spending accounts for health care and dependent care. These accounts let you set aside money to pay for your out-of-pocket health care and/or dependent day care expenses. Contributions are made on a pre-tax basis through payroll deduction. All reimbursements are tax-free.

Employee Assistance Plan

SPR provides the employee assistance plan for personal counseling for you and your family. Counseling is available for financial, emotional/mental health, and legal issues among others.

Income Protection Benefits

Short-Term Disability

SPR's short-term disability benefits generally continue 100% of your pay for up to 26 weeks when you are unable to work due to a non-work-related illness or injury.

Long-Term Disability

SPR's long-term disability benefits generally continue 60% of your pay when you are unable to work due to a non-work-related illness or injury. Benefits begin after you have been disabled for 180 consecutive days. The plan does have a pre-existing condition exclusion during the first year of employment. Also, plan benefits may be offset by any government-mandated benefits.

Retirement Benefits

Cash Balance Pension Plan

SPR provides a cash balance pension plan that is totally funded by the company. Your plan benefit is based on your years of service and your pay. Your benefit is shown as an account balance, which grows with each year of service. When you retire, the plan provides a number of payment options for your benefit.

401(k) Plan

SPR offers the opportunity to save for your retirement in a tax-deferred 401(k) plan. When you save in the plan, SPR matches the first 6% of your pay on a dollar-for-dollar basis. The plan provides a variety of funds in which you can invest your savings and the company's contributions.

Employee Stock Purchase Plan

Through this plan, you are able to purchase SPR stock at a discount. This is an excellent way to supplement your retirement income by investing in your work and the company.

Retiree Health and Life Insurance Benefits

When you retire, you may continue to be covered for medical, dental and vision benefits. SPR pays a portion of the cost of this coverage, based on your years of service. In addition, SPR provides retiree life insurance coverage for you.

Survivor Benefits

Life Insurance

SPR provides basic life insurance equal to 1.5 times your annual base pay. You also may purchase supplemental life insurance in increments of .5 to 5 times your annual base pay. Payment is made to the beneficiary of your choice.

Accident Insurance

SPR provides accidental death & dismemberment insurance (AD&D) equal to 1.5 times your annual base pay. You also may purchase supplemental AD&D insurance in increments of \$25,000 to \$500,000. Payment is made to the beneficiary of your choice.

Spouse and Child Life Insurance

In addition to coverage for you, SPR offers several options for coverage of your spouse and children. You can elect either life insurance coverage or AD&D coverage. Payment is made to you.



Other Benefits

Other benefits to which SPR contributes include:

- ▶ Tuition Reimbursement
- ▶ Adoption Assistance
- ▶ Social Security and Medicare

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