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Title Page

Southern California Edison Company

FERC FPA Electric Tariff

Tariff Title: Rate Schedules

Tariff Record Title: Rate Schedule FERC No. [REDACTED]

AGREEMENT FOR INTERCONNECTION OF THE NEVADA POWER
COMPANY'S ELDORADO-MAGNOLLA AND ELDORADO-NSO 230
KV TRANSMISSION LINES TO THE ELDORADO 220 KV
SWITCHYARD

AMONG

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

SOUTHERN CALIFORNIA EDISON COMPANY

AND

NEVADA POWER COMPANY

(d/b/a NV Energy)

Contract Effective Date: [REDACTED]
426.1.0
PAD022

Tariff Record Proposed Effective Date: xx/xx/2014
Version Number: 1.0.0
Option Code: A

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MAGNOLIA AND ELDORADO-NSO 230 KV

TRANSMISSION LINES

AGREEMENT FOR THE INTERCONNECTION OF NEVADA POWER
COMPANY'S ELDORADO-MAGNOLIA AND ELDORADO-NSO 230 KV LINES
TO THE ELDORADO 220 KV SWITCHYARD

1. PARTIES:

The parties to this AGREEMENT FOR THE INTERCONNECTION OF NEVADA POWER COMPANY'S ELDORADO-MAGNOLIA AND ELDORADO-NSO 230 KV LINES TO THE ELDORADO 220 KV SWITCHYARD ("Agreement") are: DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES ("Los Angeles"), a department organized and existing under the charter of the City of Los Angeles, a municipal corporation of the State of California; SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT ("Salt River"), an agricultural improvement district organized and existing under the laws of the State of Arizona; SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), a California corporation; and NEVADA POWER COMPANY, doing business as NV Energy, a Nevada corporation, herein acting as an Eldorado Co-Owner and referred to as "NV Energy," and as the party requesting additional connections to the Eldorado 220 kV Switchyard (in such capacity, the "Connecting Participant"). The parties to this Agreement are individually referred to as "Party" and collectively as "Parties."

2. RECITALS:

This Agreement is made with reference to the following facts, among others:

- 2.1. Los Angeles, Salt River, SCE, and NV Energy (“Eldorado Co-Owners”) jointly own, as tenants in common, the Eldorado System.
- 2.2. The Eldorado Co-Owners have entered into the Co-Tenancy Agreement and the Operating Agreement, in each case as amended, which, among other things, provide for the ownership and operation of the Eldorado System.
- 2.3. NV Energy has submitted a written request to the Engineering and Operating Committee to interconnect the Eldorado-Magnolia 230 kV transmission line (“Eldorado-Magnolia 230 kV Line”) and the Eldorado-NSO 230 kV transmission line (“Eldorado-NSO 230 kV Line”) to the Eldorado 220 kV Switchyard.
- 2.4. The construction and interconnection of the Connecting Facilities for the Eldorado-Magnolia 230 kV Line, the Eldorado-NSO 230 kV Line, and the connecting facilities for a third 230 kV transmission line, to the Eldorado 220 kV Switchyard and the payment of costs associated with such construction are subject to the terms set forth in the “Agreement for Cost Reimbursement Relating to the Interconnection of Three (3) 230 kV Lines at the Eldorado Substation” between SCE, acting as the Operating Agent, and NV Energy, which agreement was filed with FERC under FERC Docket No. ER11-4104-000. FERC accepted such agreement for filing on August 22, 2011.
- 2.5. By this Agreement, the Parties desire to (i) provide NV Energy with the right to install and connect the Connecting Facilities for the Eldorado-Magnolia 230 kV Line and the Eldorado-NSO 230 kV Line to the Eldorado 220 kV Switchyard; and (ii) provide for the ownership,

operation, maintenance, use, and cost responsibility of the Connecting Facilities.

3. SECTION HEADINGS AND DEFINITIONS:

Section headings in this Agreement are for convenience only and are not to be construed to define, limit, expand, interpret, or amplify the provisions of this Agreement. When initially capitalized in this Agreement, or amendments hereto, the following words or phrases whether in the singular or plural, shall have the meanings specified:

- 3.1. Accounting Practices – Generally accepted accounting principles and practices, in accordance with FERC Accounts applicable to electric utility operations.
- 3.2. Applicable Reliability Standards - A requirement approved by the FERC under section 215 of the Federal Power Act and enforced by WECC to provide for the reliable operation of the Bulk Power System. The term includes requirements for the operation of the existing Bulk Power System facilities, including cyber security protection, and the design of planned additions or modifications to such facilities to the extent necessary for the reliable operation of the Bulk Power System.
- 3.3. Balancing Authority - The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time. The CAISO is the Balancing Authority for the Eldorado System. The NV Energy Balancing Authority (also identified by WECC as the NEVP Balancing Authority) is the Balancing Authority for the Connecting Facilities.

- 3.4. Balancing Authority Area - The collection of generation, transmission and loads within the metered boundaries of a Balancing Authority. The Eldorado System is within the metered boundary of the CAISO Balancing Authority Area. The Connecting Facilities are within the metered boundary of the NV Energy Balancing Authority Area.
- 3.5. CAISO - The California Independent System Operator, a California nonprofit public benefit corporation organized and existing under the laws of the State of California with operational control of, among others, SCE's transmission systems.
- 3.6. Capital Additions – To the extent necessitated by the Connecting Facilities, any Units of Property which are added to the Eldorado 220 kV Switchyard Infrastructure Facilities or the General Facilities, the enlargement or betterment of any Units of Property constituting a part of the Eldorado 220 kV Switchyard Infrastructure Facilities or the General Facilities, and the replacement of any Units of Property constituting a part of the Eldorado 220 kV Switchyard Infrastructure Facilities or the General Facilities, all such additions, enlargements, betterments, and replacements occurring after each applicable In-Service Date, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces, which additions, betterments, enlargements, and replacements in accordance with Accounting Practice would be capitalized.
- 3.7. Capital Improvements – Any Units of Property which are added to the Connecting Facilities after their applicable In-Service Date; the enlargement or betterment of any Units of Property constituting a part of the Connecting Facilities and the replacement of any Units of

Property constituting a part of the Connecting Facilities, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces, which additions, betterments, enlargements, and replacements in accordance with Accounting Practice would be capitalized and are not included in Operating Work or in any capital improvements added to the Eldorado System as set forth in Section 17 of the Operating Agreement.

3.8. Co-Tenancy Agreement – The ELDORADO SYSTEM

CONVEYANCE AND CO-TENANCY AGREEMENT BETWEEN NEVADA POWER COMPANY, THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, and SOUTHERN CALIFORNIA EDISON COMPANY, dated December 20, 1967, as it may be amended from time to time.

- 3.9. Connecting Facilities – The equipment and facilities, approved by the Engineering and Operating Committee, added at Connecting Participant's sole cost that pertain to the Eldorado-Magnolia 230 kV Line and the Eldorado-NSO 230 kV Line and are installed in the Eldorado 220 kV Switchyard position 3; including, 220 kV circuit breakers 4032, 5032, and 6032, disconnect switches associated with such circuit breakers, associated metering, relay protection devices providing transmission line protection for the Eldorado-Magnolia 230 kV Line and the Eldorado-NSO 230 kV Line, surge arrestors, and appurtenant facilities up to and including the connection to the A-frame structure located in the Eldorado 220 kV Switchyard position 3. The Connecting Facilities shall include the portions of the Eldorado-

Magnolia 230 kV Line and the Eldorado-NSO 230 kV Line and associated transmission structures located on the Eldorado Substation Site as shown in Attachment A. The Connecting Facilities also include any Capital Improvements to the Connecting Facilities.

- 3.10. Connecting Insurance -- Liability insurance and workers' compensation insurance that is procured for the Connecting Facilities by Operating Agent as set forth in Attachment D.
- 3.11. Cost Responsibility Ratios -- The ratios of responsibility for costs associated with the General Facilities and the Eldorado 220 kV Switchyard Infrastructure Facilities, as described in Section 10 of this Agreement.
- 3.12. Eldorado 220 kV Switchyard -- The jointly-owned 220 kV switchyard of the Eldorado Substation operated at a voltage of approximately 230 kV, as shown in Attachment A attached hereto, and more particularly described in the Co-Tenancy Agreement.
- 3.13. Eldorado 220 kV Switchyard Infrastructure Facilities -- The Eldorado 220 kV Switchyard, excluding the connecting facilities for each of the transmission lines and transformers shown in Attachment A attached hereto.
- 3.14. Eldorado Substation -- The jointly-owned 500/220 kV substation located in Boulder City, Nevada, and more particularly described in the Co-Tenancy Agreement.
- 3.15. Eldorado Substation Site -- 338.25 acres of real property located in Boulder City, Nevada, upon which the Eldorado Substation is located,

as such real property is more particularly described in Exhibit 3 of the Co-Tenancy Agreement.

- 3.16. Eldorado System – The transmission system located in southern Nevada, and more particularly described in Section 5.18 of the Co-Tenancy Agreement.
- 3.17. Engineering and Operating Committee – The committee established pursuant to Section 9 of the Co-Tenancy Agreement.
- 3.18. FERC Accounts – FERC's "Uniform System of Accounts Prescribed for Public Utilities and Licensees," subject to the provisions of the Federal Power Act in effect as of the date of this Agreement, and as such system of accounts may be in effect from time to time. Reference in this Agreement to any specific FERC Account number shall mean the FERC Account number in effect as of the date of this Agreement or any successor FERC Account.
- 3.19. Function – Each connection to the Eldorado Substation through circuit breakers or disconnect switches, such as line connections, generator connections, or transformer connections.
- 3.20. General Facilities – Those certain facilities at the Eldorado Substation as defined in the Co-Tenancy Agreement.
- 3.21. In-Service Date – The date upon which the applicable Connecting Facilities have been successfully tested and energized for service.
- 3.22. NERC – North American Electric Reliability Corporation.
- 3.23. Operating Agent – SCE, or its successor, as so appointed under the Operating Agreement, with such additional rights, duties and obligations as explicitly provided in this Agreement.

- 3.24. Operating Agreement – The ELDORADO SYSTEM OPERATING AGREEMENT between NEVADA POWER COMPANY, THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, and SOUTHERN CALIFORNIA EDISON COMPANY, dated July 3, 1970, as it may be amended from time to time.
- 3.25. Operating Emergency – An unplanned event or circumstance which reduces or may reduce the capability of the Eldorado 220 kV Switchyard Infrastructure Facilities that would otherwise be available to the Parties under normal operating conditions.
- 3.26. Operating Funds – Monies advanced to Operating Agent for Operating Work, Capital Improvements, Capital Additions, and operation and maintenance for the General Facilities and the Eldorado 220 kV Switchyard Infrastructure Facilities on behalf of Connecting Participant.
- 3.27. Operating Work – To the extent pertaining solely to the Connecting Facilities, all engineering, contract preparation, purchasing, repair, supervision, recruitment, training, expediting, inspection, accounting, testing, protection, use, management, retirement, reconstruction, provision of Connecting Insurance, resolution and settlement of disputes, including without limitation resolution of any alleged compliance violations applicable to the Connecting Facilities, operation and maintenance and compliance with Applicable

Reliability Standards, applicable laws, standards and regulations associated with the Connecting Facilities.

- 3.28. Operating Work Liability – Any liability incurred or agreed upon, whether or not resulting from the negligence of any Party, its directors, members of its governing bodies, officers, employees, or any other person or entity whose negligence could be imputed to such Party, for any claim for direct, indirect, or consequential loss, damage, claim, cost, charge, expense, payment, penalty (including monetary and non-monetary penalties associated with alleged violations of any regulatory or compliance obligations arising out of the Operating Work or Capital Improvements), judgment, agreed-to mitigation or settlement, regulatory allocation, or fee, including any third party claim and including claims of other Co-Owners arising out of or resulting from (i) the performance or non-performance of Operating Work or design, construction, operation, and maintenance of Capital Improvements, (ii) the use or ownership of the Connecting Facilities, or (iii) compliance or non-compliance with any laws, tariffs, statutes, standards, requirements, or regulations applicable to Operating Work or Capital Improvements, including without limitation Applicable Reliability Standards, with respect to the Connecting Facilities.
- 3.29. Property Insurance – Insurance that is procured for the Connecting Facilities by Connecting Participant providing coverage for physical damage, destruction, or loss.
- 3.30. SCE Connections Agreement – that certain AGREEMENT FOR ADDITIONAL SOUTHERN CALIFORNIA EDISON COMPANY

CONNECTIONS TO THE ELDORADO SYSTEM, by and among the Eldorado Co-Owners, effective August 13, 2013 (filed as Rate Schedule FERC No. 495).

- 3.31. Units of Property – Units of property as described in FERC’s “List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees” in effect as of the date of this Agreement, and as such list may be amended from time to time.
- 3.32. WECC – the Western Electricity Coordinating Council, in its role as the compliance enforcement authority designated by North American Electric Reliability Corporation or NERC to enforce the Applicable Reliability Standards applicable to Operating Agent as the registered transmission operator and Connecting Participant, as the registered transmission owner of the Connecting Facilities.
- 3.33. Willful Action – Willful Action is defined as follows:
 - 3.33.1. Action taken or not taken by a Party at the direction of its directors, members of its governing bodies, officers, or employees having management or administrative responsibility affecting its performance under this Agreement, which action is knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with intent that injury or damage would result or would probably result therefrom.
 - 3.33.2. Action taken or not taken by a Party at the direction of its directors, members of its governing bodies, officers, or

employees having management or administrative responsibility affecting its performance under this Agreement which action has been determined by final arbitration award or final judgment or judicial decree to be a material default under this Agreement and which occurs or continues beyond the time specified in such arbitration award or judgment or judicial decree for curing such default or, if no time to cure is specified therein, occurs or continues thereafter beyond a reasonable time to cure such default.

3.33.3. Action taken or not taken by a Party at the direction of its directors, members of its governing bodies, officers, or employees having management or administrative responsibility affecting its performance under this Agreement, which action is knowingly or intentionally taken or not taken with the knowledge that such action taken or not taken is a material default under this Agreement.

3.33.4. The phrase "employees having management or administrative responsibility" as used herein means employees of a Party who are responsible for one or more of the executive functions of planning, organizing, coordinating, directing, controlling, and supervising such Party's performance under this Agreement.

4. EFFECTIVE DATE AND TERMINATION:

4.1. This Agreement shall become effective November 1, 2014, subject to the execution of the Agreement by all of the Parties and acceptance of the Agreement by FERC.

4.2. This Agreement shall terminate concurrently with the termination of the Co-Tenancy Agreement, unless terminated earlier by written agreement of the Parties.

4.3. Prior to the termination of this Agreement by termination of the Co-Tenancy Agreement, the Eldorado Co-Owners agree to negotiate in good faith with Connecting Participant and to proceed with due diligence to develop a replacement agreement which provides similar benefits to the Parties under substantially the same terms and conditions as this Agreement. In the case of the Co-Tenancy Agreement being replaced in its entirety by a successor agreement, the Parties agree to negotiate in good faith to amend this Agreement in a timely manner to incorporate such successor agreement as necessary.

5. RIGHT TO CONNECT AND ACCESS RIGHTS:

5.1 The Eldorado Co-Owners hereby grant to Connecting Participant: (i) the right to install the Connecting Facilities in the Eldorado 220 kV Switchyard; (ii) the right to connect the Connecting Facilities to the Eldorado 220 kV Switchyard; (iii) the right to occupy the Eldorado Substation Site as may be required for the Connecting Facilities; and (iv) the right to use space for control and monitoring equipment, both inside and outside of the control house, as may be necessary to provide proper control and communication.

6. OWNERSHIP:

6.1. The Connecting Facilities, and any Capital Improvements thereto, shall be owned by and remain the sole property of Connecting Participant. Connecting Participant shall have no interest in the real

property, as specified in the Bureau of Land Management right-of-way grant for the Eldorado Substation, occupied by Connecting Participant except for its use as provided for herein and during the term of this Agreement.

- 6.2. The Eldorado Substation and any capital improvements thereto shall continue to be owned by and remain the property of the Eldorado Co-Owners.
- 6.3. The division of ownership of facilities between Connecting Participant and the Eldorado Co-Owners as provided in this Agreement shall not be construed in any way to limit the respective rights of the Eldorado Co-Owners in their sole discretion to operate, maintain, expand, sell, or otherwise dispose of the Eldorado System as may be deemed necessary or appropriate.

7. OPERATING AGENT:

- 7.1. Connecting Participant hereby appoints Operating Agent as its agent for the Connecting Facilities for the purposes of performing Operating Work and the making of Capital Improvements, including the design and construction thereof, in accordance with the terms and conditions of this Agreement.
- 7.2. Operating Agent, in performing Operating Work and in making Capital Improvements, shall comply with all applicable provisions of the Co-Tenancy Agreement and of the Operating Agreement, unless otherwise specified herein.
- 7.3. Operating Agent hereby delegates Connecting Participant as Operating Agent's subcontractor to perform Operating Work and make Capital Improvements solely with respect to the Connecting Facilities located

outside the fence but within the Eldorado Substation Site. Pursuant to the Maintenance Protocols for the Eldorado-Magnolia and Eldorado-NSO 230 kV Transmission Lines ("Protocols") attached hereto as Attachment E, Operating Agent shall oversee Connecting Participant's work with respect to these Connecting Facilities. The Parties shall retain the same rights to indemnification and limitations on liability set forth in Section 17 as if Operating Agent were directly performing the Operating Work and Capital Improvements to such Connecting Facilities.

8. USE OF ELDORADO SYSTEM FACILITIES:

The Eldorado Co-Owners agree to permit Connecting Participant the non-exclusive right to use and benefit from the Eldorado 220 kV Switchyard and General Facilities at no additional charge to Connecting Participant except as set forth herein.

9. CAPITAL ADDITIONS:

- 9.1. If at any time the Engineering and Operating Committee determines that Capital Additions are required for the Eldorado System solely as a result of the Connecting Facilities, Connecting Participant shall reimburse the Eldorado Co-Owners as applicable for all costs including, but not limited to, construction work, operating work, and capital improvements thereto, in the same manner and to the same extent as if such Capital Additions had been included in the Connecting Facilities as initially installed.
- 9.2. The Parties agree, within a reasonable amount of time hereafter, to enter into another agreement or to amend the SCE Connections Agreement, by modifying the definition of "Capital Additions," Sections 9, 10 and 11, and Attachment B thereto to ensure that SCE, as "Connecting Participant"

under the SCE Connections Agreement, has the same cost responsibility for Capital Additions under the SCE Connections Agreement as NV Energy, as Connecting Participant, bears for Capital Additions under this Agreement.

10. COST RESPONSIBILITY RATIOS:

- 10.1. The Cost Responsibility Ratio for General Facilities shall be calculated by Operating Agent for the purpose of allocating costs to Connecting Participant for operation and maintenance associated with General Facilities. Such Cost Responsibility Ratio shall be calculated in accordance with the methodology set forth in Attachment B.
- 10.2. The Cost Responsibility Ratio for the Eldorado 220 kV Switchyard Infrastructure Facilities shall be calculated by Operating Agent for the purpose of allocating costs to Connecting Participant for operation and maintenance associated with the Eldorado 220 kV Switchyard Infrastructure Facilities. Such Cost Responsibility Ratio shall be calculated in accordance with the methodology set forth in Attachment B.
- 10.3. The Cost Responsibility Ratios shall be re-calculated, if necessary, upon the addition or removal of any Function. Operating Agent shall notify the Parties of any such changes pursuant to Section 27. Any re-calculated Cost Responsibility Ratio shall be effective upon the in-service or removal date of such Function.

11. ALLOCATION OF COSTS:

The following costs shall be allocated to Connecting Participant:

- 11.1. Beginning on the applicable In-Service Date, one hundred percent (100%) of the costs of Operating Work shall be allocated to Connecting Participant.

- 11.2. Beginning on the applicable In-Service Date, one hundred percent (100%) of the costs of Capital Improvements, including the design and construction thereof, shall be allocated to Connecting Participant.
- 11.3. Costs for operation and maintenance, or an Operating Emergency, for General Facilities shall be allocated to Connecting Participant in accordance with the applicable Cost Responsibility Ratio as set forth in Section 10.
- 11.4. Costs for operation and maintenance, or an Operating Emergency, for the Eldorado 220 kV Switchyard Infrastructure Facilities shall be allocated to Connecting Participant in accordance with the applicable Cost Responsibility Ratio as set forth in Section 10.
- 11.5. Connecting Participant shall be responsible for procuring Property Insurance for the Connecting Facilities without any cost allocation to the Eldorado Co-Owners. Connecting Participant shall also be required to waive, and require its insurer(s) to waive, all rights of recovery from or subrogation against the Operating Agent and the Eldorado Co-Owners, and include a waiver of subrogation in favor of the Operating Agent and the Eldorado Co-Owners under the required Property Insurance policy.
- 11.6. Except in the case of Willful Action or negligent Operating Work by Operating Agent, Connecting Participant shall reimburse Operating Agent for any self-insured retention amount incurred in connection with this Agreement by Operating Agent under the Connecting Insurance in connection with the Connecting Facilities, including for Connecting Participant's actions or inactions or acts of God.

- 11.7. Subject to the terms of this Agreement, Operating Agent shall reimburse Connecting Participant for any deductible incurred by Connecting Participant under Connecting Participant's Property Insurance in connection with Operating Agent's Willful Action or negligent Operating Work with respect to the Connecting Facilities; provided, however, that such reimbursement by Operating Agent shall not exceed two million dollars (\$2 million) per occurrence. For the avoidance of doubt, Operating Agent shall not be required to assume the Property Insurance deductible for damages that are not caused by the Operating Agent's negligence or Willful Action.
- 11.8. At the time this Agreement is executed, or within a reasonable time thereafter, and within a reasonable amount of time after coverage is renewed or replaced, Connecting Participant shall furnish Operating Agent with a certificate of insurance evidencing the coverage required pursuant to this Agreement. Connecting Participant shall provide Operating Agent with at least thirty (30) days prior written notice in the event of a change or cancellation of coverage. Connecting Participant's receipt of certificates that do not comply with the requirements in this Agreement, or Connecting Participant's failure to provide certificates, shall not limit or relieve Connecting Participant of the duties and responsibility of maintaining insurance in compliance with the requirements in this Agreement and shall not constitute a waiver of any of the requirements in this Agreement.
- 11.9. Operating Agent shall be responsible for procuring Connecting Insurance for the Connecting Facilities. Operating Agent shall also be required to waive, and require its insurer(s) to waive, all rights of

recovery from or subrogation against the Connecting Participant, and include a waiver of subrogation in favor of the Connecting Participant under the required Connecting Insurance. At the time this Agreement is executed, or within a reasonable time thereafter, and within a reasonable amount of time after coverage is renewed or replaced, Operating Agent shall furnish Connecting Participant with a certificate of insurance evidencing the coverage required pursuant to this Agreement. Operating Agent shall provide Connecting Participant with at least thirty (30) days prior written notice in the event of a change or cancellation of coverage. Operating Agent's receipt of certificates that do not comply with the requirements in this Agreement, or Operating Agent's failure to provide certificates, shall not limit or relieve Operating Agent of the duties and responsibility of maintaining insurance in compliance with the requirements in this Agreement and shall not constitute a waiver of any of the requirements in this Agreement.

12. PAYMENT:

Connecting Participant shall advance Operating Funds to Operating Agent on the basis of bills received from Operating Agent. Such bills shall reflect all costs allocated to Connecting Participant for Operating Work, Capital Improvements, Capital Additions, and operation and maintenance for the General Facilities and the Eldorado 220 kV Switchyard Infrastructure Facilities as follows:

- 12.1. Except for the costs described in Sections 16 and 17 and for the costs for Operating Emergencies, the costs for the current month shall be billed on an estimated basis on or before the first business day of each

month, and payment shall be due and payable and must be received by Operating Agent by the fifteenth day of such month; provided, that adjustments for differences between estimated costs and actual costs incurred for such month shall be reflected in the bill for the calendar month which follows the date of determination of actual costs.

- 12.2. Costs described in Section 16 (to the extent that any tax or payment in lieu thereof is levied against a Party on behalf of another Party or Parties) and Section 17, and costs for Connecting Insurance and Operating Emergencies, shall be billed not less than eight (8) business days prior to their due date and shall be due and payable and must be received by Operating Agent not less than three (3) business days prior to such date.
- 12.3. Operating Funds not advanced to Operating Agent on or before the due dates specified shall be payable with interest. The interest rate shall be calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii) or any successor regulation.
- 12.4. If Connecting Participant shall dispute any portion of any amount specified in a monthly forecast, billing or a request for funds, Connecting Participant shall make the total payment specified in said forecast, billing, or request for funds under protest. If it is determined that an overpayment has been made, the amount determined by Operating Agent to be in excess shall be returned to Connecting Participant with interest as provided for in Section 12.3.
- 12.5. Payments shall be considered made on the date payment is received by Operating Agent.

13. OPERATING PRINCIPLES:

- 13.1. Capacity in the Eldorado 220 kV Switchyard shall be allocated in accordance with the Operating Agreement.
- 13.2. Operating Agent shall coordinate with any affected entity any scheduled outage of facilities required for maintenance of the Connecting Facilities or for the making of Capital Improvements consistent with the Operating Agreement and this Agreement.

14. ENGINEERING AND OPERATING COMMITTEE:

The Engineering and Operating Committee shall:

- 14.1. Act as liaison among the Parties hereto in matters relating to the Connecting Facilities.
- 14.2. Review and approve Operating Agent's estimate of the annual capital expenditures budget and the annual maintenance budget relating to the Connecting Facilities to be submitted by Operating Agent to the Parties at the same time and place as other budgets are to be submitted as set forth in the Operating Agreement.
- 14.3. Have no authority to modify any of the provisions of this Agreement. No action shall be taken by the Engineering and Operating Committee in respect to the Connecting Facilities unless such action is agreed to by all of the Eldorado Co-Owners acting through their representatives on the Engineering and Operating Committee pursuant to the terms of the Operating Agreement. Any agreement, action, or determination made by the Engineering and Operating Committee in respect to the Connecting Facilities shall be reduced to writing and shall become effective when signed by the Engineering and Operating Committee representative of each Eldorado Co-Owner.

14.4. Connecting Participant shall, in a timely manner, provide Operating Agent with all applicable information relating to all interconnection requests, interconnection study plans, and study results for any proposed interconnection of additional transmission and/or generating facilities to the NV Energy transmission system that could have an impact on the Eldorado System. Operating Agent shall then promptly provide all such information to the Engineering and Operating Committee.

15. OTHER AGREEMENTS:

Except as set forth herein, should a conflict affecting the Eldorado Co-Owners arise out of an inconsistency between the terms and conditions of this Agreement and the terms and conditions of the Co-Tenancy Agreement and/or the Operating Agreement, the terms and conditions of the Co-Tenancy Agreement and/or the Operating Agreement shall govern.

16. TAXES:

16.1. Connecting Participant shall use its best efforts to have any taxing authority imposing any property taxes or other taxes (excluding any sales or use taxes) or assessments on the Connecting Facilities, impose such taxes or assessments directly upon Connecting Participant.

16.2. All taxes and assessments levied against any Party shall be the sole responsibility of the Party upon whom said taxes and assessments are levied, unless such taxes and assessments are levied directly upon an individual Party on behalf of any or all of the other Parties.

16.3. Any Party exempted from any taxes assessed against any or all of the other Parties shall be given credit for such exemption by Operating Agent.

17. LIABILITY:

17.1. Co-Owners Indemnity. Except for any loss, damage, claim, cost, charge, expense, payment, penalty or fee, resulting from Willful Action of Co-Owners or Operating Agent, and except to the extent of any loss, damage, claim, cost, charge, expense, payment, penalty or fee covered by valid and collectible Connecting Insurance or Property Insurance, the Connecting Participant shall at all times indemnify, defend and hold the Eldorado Co-Owners and Operating Agent harmless for, from and against any claim of damage to the Eldorado Substation and the General Facilities arising out of or resulting from the Connecting Facilities. Notwithstanding the foregoing, in no event shall Connecting Participant be liable under this Section 17.1 for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including, but not limited to, loss of profit or revenue, loss of the use of equipment, costs of replacement power, cost of temporary equipment or services, whether any such cost or loss is based in whole or in part in contract, in tort, including negligence, strict liability, Willful Action, or any other theory of liability.

17.2. Limitation of Liability for Operating Agent: Except (1) for any loss, damage, claim, cost, charge, expense, payment, penalty or fee resulting from Willful Action; and (2) to the extent of any loss, damage, claim, cost, charge, expense, payment, penalty or fee covered by valid and collectible Connecting Insurance and Property Insurance, Operating Agent shall not be liable in damages to Connecting Participant for Operating Work Liability.

17.3. Operating Agent Indemnity. Except for any loss, damage, claim, cost, charge, expense, payment, penalty or fee resulting from Willful Action of Operating Agent, and except to the extent of any loss, damage, claim, cost, charge, expense, payment, penalty or fee covered by valid and collectible Connecting Insurance and Property Insurance, the Connecting Participant shall at all times indemnify, defend and hold the Operating Agent harmless for, from and against any Operating Work Liability.

17.4. Willful Action. The Party responsible for any loss, damage, claim, cost, charge, expense, payment, penalty or fee as the result of its own Willful Action shall indemnify and hold harmless the other Parties, their directors, members of their governing bodies, officers, and employees from any such loss, damage, claim, cost, charge, expense, payment, penalty or fee.

17.5. Insurance. The provisions of this Section 17 shall not be construed so as to relieve any insurer of its obligation to pay any insurance proceeds in accordance with the terms and conditions of valid and collectible insurance policies furnished hereunder.

18. UNCONTROLLABLE FORCES:

18.1 No Party shall be considered to be in default in the performance of its obligations hereunder (other than obligations of said Party to make payment of bills rendered hereunder) when a failure of performance shall be due to an Uncontrollable Force. The term "Uncontrollable Force" means any cause beyond the reasonable control of the Party affected, including but not restricted to failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot,

civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any of its obligations hereunder by reason of an Uncontrollable Force shall give prompt written notice of such fact to the other Parties and shall exercise due diligence to remove such inability with all reasonable dispatch.

18.2 Economic hardship shall not be an Uncontrollable Force.

19. RELATIONSHIP OF THE PARTIES:

The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing herein contained shall ever be construed to create an association, joint venture, trust, or partnership, or to impose an association, joint venture, trust, or partnership covenant, obligation, or liability on or with regard to any one or more of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as herein provided. No Party or group of Parties shall be under the control of or shall be deemed to control any other Party or the Parties as a group. No Party shall be the agent of or have a right or power to bind any other Party without its express written consent, except as expressly provided in this Agreement.

20. SUCCESSORS AND ASSIGNS:

- 20.1. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.
- 20.2. Any successor or assignee shall notify the remaining Parties of such succession or assignment in accordance with Section 24.
- 20.3. No assignment or transfer of interest hereunder shall relieve the assigning or transferring Party from full liability and financial responsibility for performance, after any such assignment or transfer, of all obligations and duties incurred, under the terms and conditions of this Agreement, by such Party prior to such assignment or transfer unless and until the assignee or transferee shall agree in writing with all the remaining Parties to assume all obligations and duties imposed under the terms and conditions of this Agreement, upon the assigning or transferring Party after such assignment or transfer.

21. NONDEDICATION OF FACILITIES:

The Parties do not intend to dedicate, and nothing in this Agreement shall be construed as constituting a dedication by any Party of its properties or facilities, or any part thereof, to any other Party or to the customers of any Party.

22. REGULATORY APPROVALS:

The Parties agree to cooperate to obtain any state or federal regulatory approval necessary for the full participation of any Party in the rights and obligations of this Agreement.

23. GOVERNING LAW AND VENUE:

This Agreement shall be interpreted in accordance with the substantive and procedural laws of the State of Nevada. Any action at law or judicial

proceeding instituted by any Party relating to this Agreement shall be instituted only in the state or federal courts of the State of Nevada.

24. MUTUAL COOPERATION:

The Operating Agent or Connecting Participant shall, within 10 calendar days of the receipt of any notice of alleged violation ("NOAV") pertaining to the Connecting Facilities, provide the Connecting Participant or Operating Agent, as the case may be, with a copy of the NOAV. Subject to applicable regulatory and legal requirements, protections for each Party's privileges and confidential information, and subject to the execution of any necessary confidentiality and non-disclosure agreements, the Parties agree to cooperate fully to provide each other the information, documentation and assistance necessary to demonstrate compliance with their respective obligations. Unless otherwise agreed, the Parties agree that upon thirty (30) days of receipt of a written notice from the Party requesting the information, the Party responsible for providing information shall timely deliver the requested information. In the event the information is required by WECC, NERC, or FERC in less than thirty (30) days, the appropriate Party will make commercially reasonable efforts to provide information in any such requested time.

25. NOTICES:

25.1. Except as set forth in Section 25.2, any legal notice or communication required by this Agreement shall be in writing and shall be deemed received (i) upon delivery if delivered in person or by electronic mail or (ii) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid, to the persons and addresses set forth in Attachment C attached hereto.

25.2. Communications of a routine nature involving requests for funds and related matters shall be given in such manner as the Parties shall arrange.

25.3. Any Party may, at any time, by written notice to all other Parties, designate different or additional persons or different addresses for the giving of notices hereunder. Within thirty (30) days of any such change, Operating Agent shall provide each Party with a revised Attachment C. Such revised attachment shall not require approval by the Engineering and Operating Committee and shall not be considered an amendment to this Agreement requiring signature by each Party.

26. GENERAL PROVISIONS:

26.1. In the event that any of the terms, covenants, or conditions of this Agreement, or the application of any such term, covenant, or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction in the premises, all other terms, covenants, or conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect.

26.2. Except as otherwise specifically provided in this Agreement, the Parties do not intend to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established therein.

26.3. Any waiver at any time by any Party of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter whether of a similar or different nature.

26.4. This Agreement shall be modified only through written agreement signed by each Party.

27. ATTACHMENT REVISIONS:

- 27.1. Attachment A, ELDORADO SUBSTATION ONE-LINE DIAGRAM, and Attachment B; COST RESPONSIBILITY RATIOS, shall be revised as appropriate by Operating Agent upon any change in the configuration of the Eldorado System. Attachment C, ADDRESS FOR NOTICES, shall be revised pursuant to Section 25.3. Attachment D, CONNECTING INSURANCE and Attachment E, MAINTENANCE PROTOCOLS FOR THE ELDORADO-MAGNOLIA AND ELDORADO-NSO 230 KV TRANSMISSION LINES, shall be revised by Operating Agent only upon mutual agreement by the Parties.
- 27.2. Operating Agent shall submit each revised Attachment A, or Attachment B, as the case may be, to the Engineering and Operating Committee for its review and approval. Approval of such revised attachment shall not be unreasonably withheld. Within thirty (30) days after approval, Operating Agent shall distribute a copy of each approved attachment to each Party.
- 27.3. The effective date of a revised Attachment A or Attachment B, as the case may be, shall be the effective in-service date of the new facility or the effective removal date of an existing facility, unless otherwise agreed by the Eldorado Co-Owners. Revised Cost Responsibility Ratios shall be reflected in invoices following the effective date of the revised attachment.

28. EXECUTION BY COUNTERPARTS:

This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart hereof without impairing the legal effect of any signature thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

(SIGNATURES APPEAR ON NEXT PAGE)

29. SIGNATURE CLAUSE:

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

NEVADA POWER COMPANY (d/b/a NV Energy)

By Walter Spansel
Name Walter Spansel
Title Vice-President, Transmission
Date Signed 11/12/14

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

By J. T. Underhill
Name JOHN T. UNDERHILL
Title SR. DIRECTOR, SYSTEM OPERATIONS
Date Signed 11/21/14

SOUTHERN CALIFORNIA EDISON COMPANY

By 

Name Peter Dietrich

Title Senior Vice President, Transmission & Distribution

Date Signed November, 17, 2014

THE CITY OF LOS ANGELES

DEPARTMENT OF WATER AND POWER

By _____
MARCIE L. EDWARDS General Manager

AND _____
BARBARA E. MOSCHOS Secretary

Date Signed _____

SOUTHERN CALIFORNIA EDISON COMPANY

By _____

Name _____

Title _____

Date Signed _____

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES ACTING BY AND
THROUGH THE BOARD OF WATER AND POWER
COMMISSIONERS**

By _____

General Manager


Date Signed _____

and _____

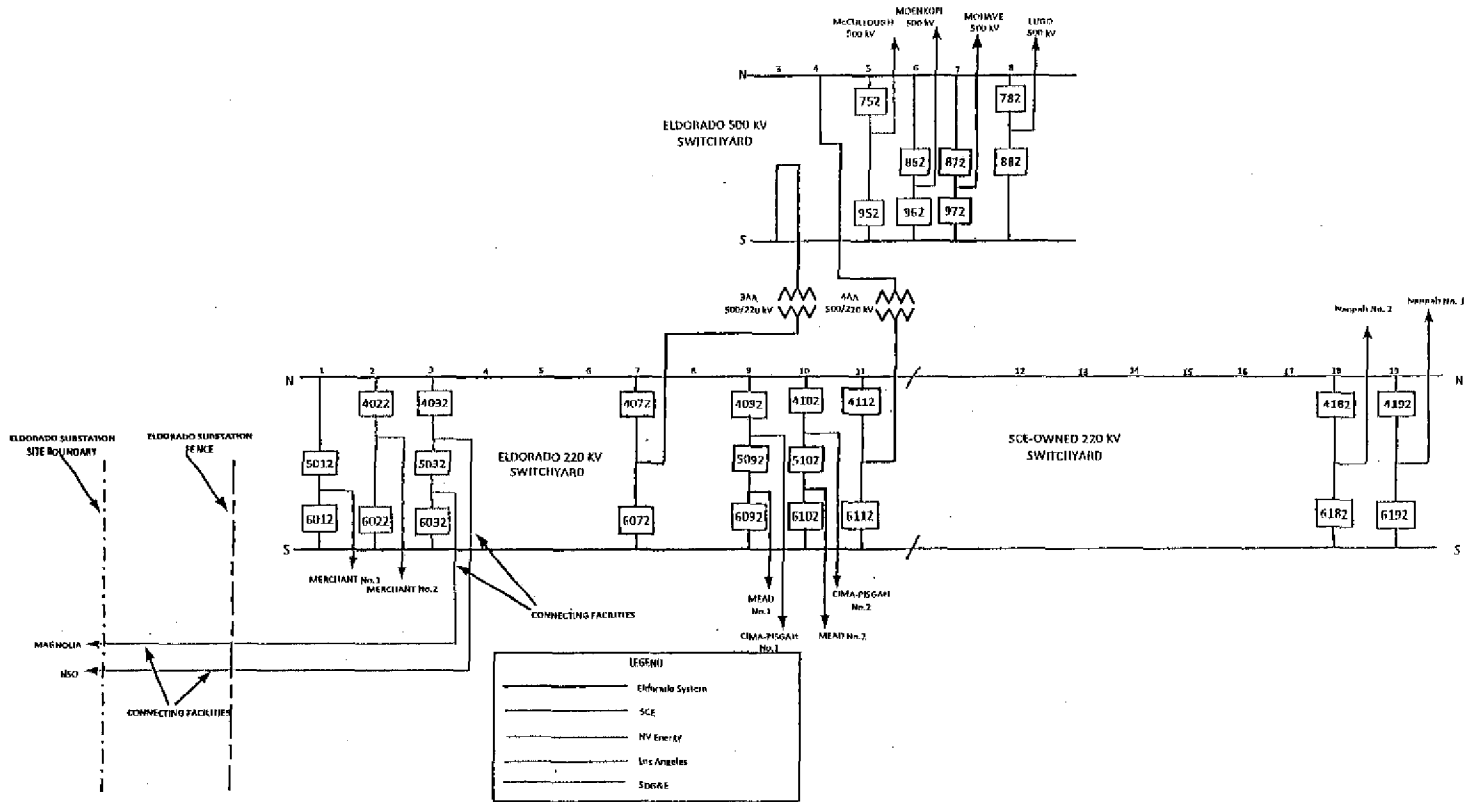
Secretary

Date Signed _____

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

SEP 12 2016
BY  _____
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY

Protected Materials: Contains Critical Energy Infrastructure Information



ELDORADO SUBSTATION ONE-LINE DIAGRAM

ATTACHMENT A

ATTACHMENT B
COST RESPONSIBILITY RATIOS

General Facilities

Cost Responsibility Ratio for allocation of costs associated with operation and maintenance for General Facilities

$$= X / (X + Y + Z) = 2 / (2+6+10) = 2/18 \text{ or } 0.1111$$

where X = number of Functions for Connecting Participant = 2¹

Y = number of Functions for parties other than Connecting Participant in the Eldorado Substation 500 kV switchyard = 6

Z = number of Functions for parties other than Connecting Participant in the Eldorado 220 kV Switchyard = 10

Eldorado 220 kV Switchyard Infrastructure Facilities

Cost Responsibility Ratio for allocation of costs associated with operation and maintenance for the Eldorado 220 kV Switchyard Infrastructure Facilities

$$= X / (X + Z) = 2 / (2+10) = 2/12 \text{ or } 0.1667$$

where X = number of Functions for Connecting Participant = 2¹

Z = number of Functions for parties other than Connecting Participant in the Eldorado 220 kV Switchyard = 10

¹ The Functions applicable to Connecting Participant at the Eldorado Substation are the terminations for the Eldorado-Magnolia 230 kV Line and the Eldorado-NSO 230 kV Line.

ATTACHMENT C
ADDRESSES FOR NOTICES

Department of Water and Power of the City of Los Angeles
c/o Senior Assistant General Manager – Power System

Street address: 111 North Hope Street, Room 921
Los Angeles, CA 90012-2607

Mailing address: Box 51111, Room 921
Los Angeles, CA 90051-5700
Fax: 213 367-0313
E-mail: Randy.Howard@ladwp.com

Nevada Power Company d/b/a NV Energy
c/o Manager, Transmission Business Services

Street address: 6100 Neil Road – M/S S3B40
Reno, NV 89511

Mailing address: P.O. Box 10100 – M/S S3B40
Reno, NV 89520-0024
E-mail: JWickersham3@nvenergy.com

**Salt River Project Agricultural
Improvement and Power District**
c/o Secretary

Street address: 1521 North Project Drive
Tempe, AZ 85281

Mailing address: P.O. Box 52025
Phoenix, AZ 85072-2025
E-mail: Terry.Lonon@srpnet.com

Southern California Edison Company
c/o Manager, Grid Contracts Management

Street address: 2244 Walnut Grove Avenue
Rosemead, California 91770

Mailing address: P.O. Box 800
Rosemead, CA 91770
E-mail: william.law@sce.com

ATTACHMENT D
CONNECTING INSURANCE

Connecting Insurance includes:

1. Commercial bodily injury and property damage liability insurance, including automobile liability insurance, covering the operations and activities at the Connecting Facilities. Such insurance provides limits of \$35,000,000 per occurrence and \$70,000,000 in the aggregate, and a self-insured retention of \$2,000,000.
2. Workmen's compensation insurance covering employees of the Operating Agent engaged in the performance of Operating Work, in statutory limits.

ATTACHMENT E

Maintenance Protocols for the Eldorado-Magnolia and
Eldorado-NSO 230 kV Transmission Lines

1. SCOPE OF PROTOCOLS: The purpose of these Protocols is to set forth the relative rights and obligations of Operating Agent and Connecting Participant in the operations and maintenance of those portions of the Eldorado-Magnolia and Eldorado-NSO 230 kV transmission lines that are located outside the fence (as depicted in Exhibit B) but within the Eldorado Substation Site. Ownership interests in the Eldorado Substation and a graphic depiction of the location of transmission structure Nos. X25961, X25962, X25967, and X25968 are shown in Exhibit A hereto.
2. REVISIONS TO PROTOCOLS: The Protocols, including all exhibits and attachments hereto, may be revised only by mutual agreement of the Parties.
3. OPERATIONS AND MAINTENANCE RESPONSIBILITY:
 - 3.1. Within the Eldorado Substation Site, responsibility for the operations and maintenance of the Eldorado-Magnolia 230 kV line shall be as follows:
 - 3.1.1. Operating Agent shall have sole operations and maintenance responsibility for the Connecting Facilities for the Eldorado-Magnolia 230 kV line from Eldorado Substation 220 kV Switchyard position No. 3 to the point where Eldorado-Magnolia 230 kV conductors connect to transmission structure No. X25961.
 - 3.1.2. Connecting Participant shall have sole operations and maintenance responsibility for the Connecting Facilities for the Eldorado-Magnolia 230 kV line from transmission structure No. X25967 up to, and including, transmission structure No. X25961.
 - 3.2. Within the Eldorado Substation Site, responsibility for the operations and maintenance of the Eldorado-NSO 230 kV line shall be as follows:
 - 3.2.1. Operating Agent shall have sole operations and maintenance responsibility for the Connecting Facilities for the Eldorado-NSO

230 kV line from the Eldorado Substation 220 kV Switchyard position No. 3 to the point where Eldorado-NSO 230 kV conductors connect to transmission structure No. X25962.

- 3.2.2. Connecting Participant shall have sole operations and maintenance responsibility for the Connecting Facilities for the Eldorado-Magnolia 230 kV line from transmission structure No. X25968 up to, and including, transmission structure No. X25962.
4. ACCESS: Notwithstanding the provisions of Section 5.1 of the Agreement, with the exception of operations and/or maintenance necessitated by an emergency, Connecting Participant personnel shall not enter the Eldorado Substation Site without (i) the prior approval from Operating Agent, such approval not to be unreasonably withheld, and (ii) presence of an observer specifically identified and provided by Operating Agent.
5. MUTUAL COORDINATION AND COMMUNICATION: Operating Agent and Connecting Participant shall be responsible for keeping each other informed as to the status of the Eldorado-Magnolia and Eldorado-NSO 230 kV lines.
6. TRANSMISSION LINE PLANNED OUTAGE COORDINATION: Scheduled transmission outages shall be coordinated consistent with outage coordination arrangements that have been established between Operating Agent, Connecting Participant and CAISO.
7. SWITCHING AND CLEARANCES:
 - 7.1. Each Party shall operate only those switching facilities for which it has operations and maintenance responsibility.
 - 7.2. Operating Agent shall direct all switching on the Eldorado-Magnolia and/or Eldorado-NSO 230 kV line Connecting Facilities inside Eldorado Substation.
 - 7.3. Connecting Participant shall direct all switching on the Eldorado-Magnolia and/or Eldorado-NSO 230 kV line at Magnolia and/or NSO Substations.

- 7.4. Upon completion of necessary switching to de-energize and isolate facilities as required for maintenance or repair, the Party performing the work shall receive an Intercompany Clearance from the other Party. As used in these Protocols, an "Intercompany Clearance" is the safety clearance exchanged between the Parties to ensure workers are protected from energization by either Party.
- 7.5. Neither Party may issue a clearance to its station or field personnel until it has obtained an Intercompany Clearance from the other Party.

Protected Materials: Contains Critical Energy Infrastructure Information

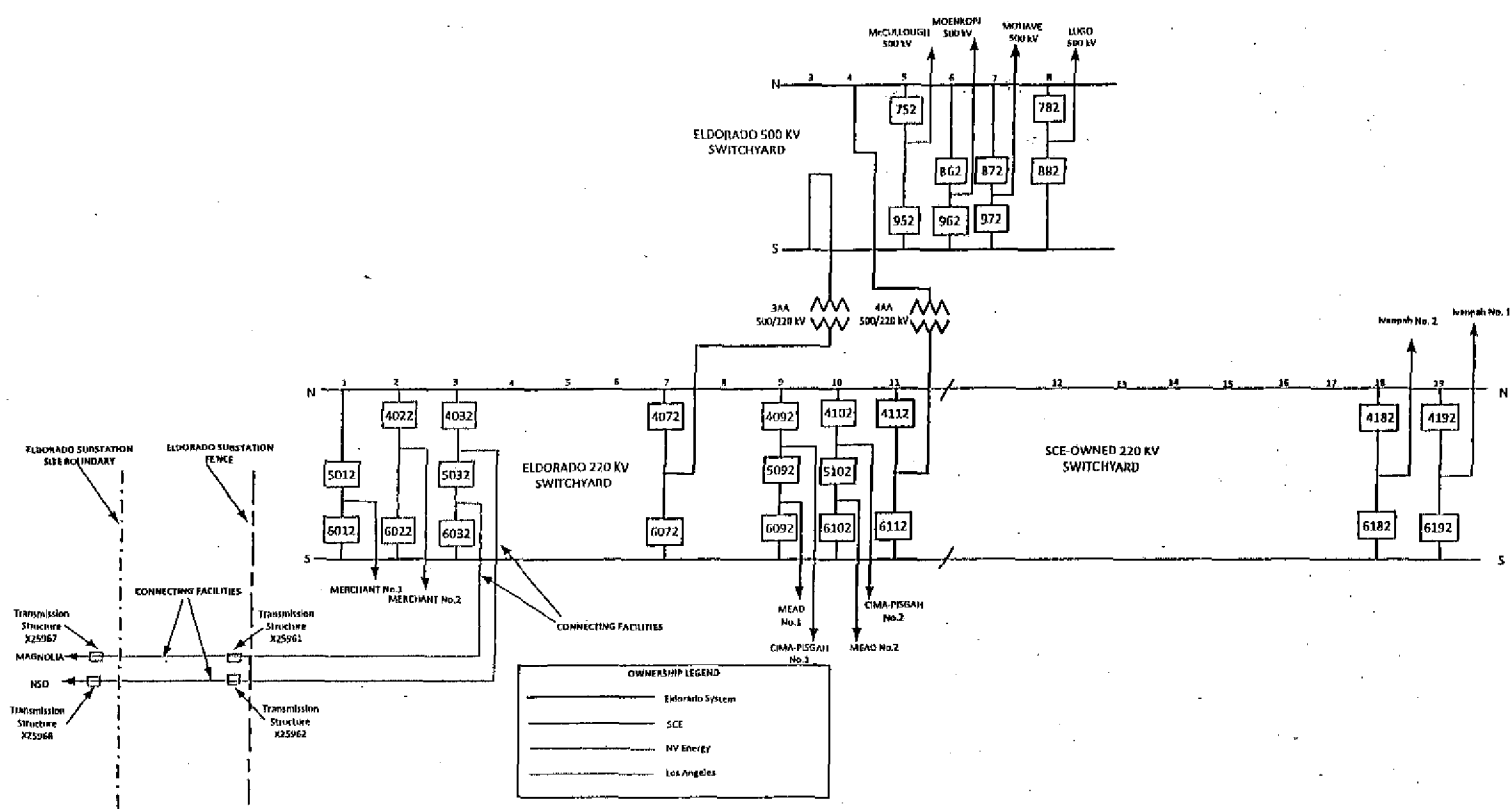


EXHIBIT A to Attachment E
Eldorado Substation Facility Ownership

EXHIBIT B to Attachment E
Eldorado Substation Site Boundaries

