

Exhibit (D) Energy Related Tax Incentive Fiscal Note as required by NRS
701A.375-1(a) by the Budget Division of the State of Nevada
Department of Administration, received on September 9, 2011



DEPARTMENT OF ADMINISTRATION

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BUDGET DIVISION
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE
FOR
One Nevada Transmission Line Project 11-061411TR
Nevada Power Company dba NV Energy
Sierra Pacific Power Company dba NV Energy
Great Basin Transmission South, LLC
as required by NRS 701A.375-1(a)

September 9, 2011

Prepared by: Janet Rogers for Jeff Mohlenkamp, Budget Division Director

Based on the information submitted by the applicant and provided to the Department of Administration by the Nevada State Office of Energy, the Budget Division estimates that the energy-related tax incentives provided to the One Nevada Transmission Line Project (Nevada Power Company dba NV Energy, Sierra Pacific Power Company dba NV Energy, and Great Basin Transmission South, LLC) for developing transmission lines in White Pine, Nye, Lincoln, Elko, Eureka, Lander, and Clark counties to contribute to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable energy facilities and/or geothermal facilities will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

The One Nevada Transmission Line Project application indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$195,575,788. However, supplemental information provided to the Nevada Department of Taxation indicates that \$14,194,219 was spent in the first half of 2011 before their application for the abatement was approved. The total amount subject to abatement is thus \$181,381,569. Given this information, the General

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Fund will be impacted by an abatement totaling \$3,627,631 less any applicable collection allowance.

<u>Fiscal</u> <u>Year</u>	<u>Expenditure</u> <u>Subject to Abatement</u>	<u>Amount</u> <u>Abated</u>
FY 2012	\$ 155,732,396	\$ 3,114,648
FY 2013	\$ 25,649,173	\$ 512,983
FY 2014	\$ 0	\$ 0
Total	\$ 181,381,569	\$ 3,627,631

Exhibit (E) Fiscal Impact Renewable Energy Partial Abatement of Sales/Use Taxes and Fiscal Impact Renewable Energy Partial Abatement of Property Taxes as required by NRS 701A.375-1(b) by the State of Nevada Department of Taxation, received on September 7, 2011



BRIAN SANDOVAL
Governor
ROBERT R. BARENGO
Chair, Nevada Tax Commission
CHRISTOPHER G. NIELSEN
Interim Executive Director

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FISCAL IMPACT

**Renewable Energy Partial Abatement Of Sales/Use Taxes
One Nevada Transmission Line Project 11-061411TR
Nevada Power Company dba NV Energy
Sierra Pacific Power Company dba NV Energy
Great Basin Transmission South, LLC**

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, Nevada Power Company dba NV Energy, Sierra Pacific Power Company dba NV Energy, and Great Basin Transmission South, LLC have requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in White Pine, Nye, Lincoln, Elko, Lander, Eureka, and Clark County. Upon approval, this project would be granted a partial abatement of Sales and Use Tax for a period of three years, commencing on July 1, 2011.

The Nevada State Office of Energy has provided to the Department of Taxation a completed copy of the Renewable Energy Tax Abatements Application for this project. According to Schedule 6 of this application, Nevada Power Company dba NV Energy, Sierra Pacific Power Company dba NV Energy, and Great Basin Transmission South, LLC will purchase a total of \$79,342,027.00 worth of tangible, personal property subject to Sales and/or Use Tax during the first year of the abatement period. At the current Sales or Use Tax rate for White Pine, Nye, Lincoln, Elko, Lander, Eureka, and Clark County, the full Sales Tax for these purchases would be \$5,751,752.04 less any applicable collection allowance.

According to Schedule 7 of this application form, NV Energy will purchase \$102,039,542.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows no purchases of tangible, personal property subject to Sales and/or Use Tax will be purchased during the third year.

Based on this information, the Department of Taxation projects the following Sales Tax related fiscal impact for the three years of the abatement period broken down by county.

WHITE PINE COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.475%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$660,223.96	\$1,151,482.86	\$0.00	\$1,811,706.82
Local School Support Tax	2.600%	\$858,291.15	\$1,496,927.72	\$0.00	\$2,355,218.87
Basic City Relief	0.500%	\$165,055.99	\$287,870.72	\$0.00	\$452,926.71
Supp. City County Relief	1.750%	\$577,695.97	\$1,007,547.50	\$0.00	\$1,585,243.47
County Option	0.625%	\$206,319.99	\$359,838.39	\$0.00	\$566,158.38

Total Amount Abated (State & Local/County):	1st year	\$1,609,295.90
	2nd year	\$2,806,739.47
	3rd year	\$0.00
	Total	<u>\$4,416,035.37</u>

Total Amount Abated (Local/County Only):	1st year	\$949,071.94
	2nd year	\$1,655,256.61
	3rd year	\$0.00
	Total	<u>\$2,604,328.55</u>

*First year fiscal breakdown does not include purchases already made.

NYE COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$353,981.58	\$108,161.50	\$0.00	\$462,143.08
Local School Support Tax	2.600%	\$460,176.05	\$140,609.95	\$0.00	\$600,786.00
Basic City Relief	0.500%	\$88,495.40	\$27,040.38	\$0.00	\$115,535.77
Supp. City County Relief	1.750%	\$309,733.88	\$94,641.31	\$0.00	\$404,375.20
County Option	0.250%	\$44,247.70	\$13,520.19	\$0.00	\$57,767.88

Total Amount Abated (State & Local/County):	1st year	\$796,458.56
	2nd year	\$243,363.38
	3rd year	\$0.00
	Total	<u>\$1,039,821.93</u>

Total Amount Abated (Local/County Only):	1st year	\$442,476.98
	2nd year	\$135,201.88
	3rd year	\$0.00
	Total	<u>\$577,678.85</u>

*First year fiscal breakdown does not include purchases already made.

LINCOLN COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$530,044.64	\$180,937.50	\$0.00	\$710,982.14
Local School Support Tax	2.600%	\$689,058.03	\$235,218.75	\$0.00	\$924,276.78
Basic City Relief	0.500%	\$132,511.16	\$45,234.38	\$0.00	\$177,745.54
Supp. City County Relief	1.750%	\$463,789.06	\$158,320.31	\$0.00	\$622,109.37
County Option	0.250%	\$66,255.58	\$22,617.19	\$0.00	\$88,872.77

Total Amount Abated (State & Local/County):	1st year	\$1,192,600.44
	2nd year	\$407,109.38
	3rd year	\$0.00
	Total	<u>\$1,599,709.82</u>

Total Amount Abated (Local/County Only):	1st year	\$662,555.80
	2nd year	\$226,171.88
	3rd year	\$0.00
	Total	<u>\$888,727.68</u>

*First year fiscal breakdown does not include purchases already made.

ELKO COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	6.850%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$169.20	\$23,469.18	\$0.00	\$23,638.38
Local School Support Tax	2.600%	\$219.96	\$30,509.93	\$0.00	\$30,729.89
Basic City Relief	0.500%	\$42.30	\$5,867.30	\$0.00	\$5,909.60
Supp. City County Relief	1.750%	\$148.05	\$20,535.53	\$0.00	\$20,683.58
County Option	0.000%	\$0.00	\$0.00	\$0.00	\$0.00

Total Amount Abated (State & Local/County):	1st year	\$359.55
	2nd year	\$49,872.01
	3rd year	\$0.00
	Total	<u>\$50,231.56</u>

Total Amount Abated (Local/County Only):	1st year	\$190.35
	2nd year	\$26,402.83
	3rd year	\$0.00
	Total	<u>\$26,593.18</u>

*First year fiscal breakdown does not include purchases already made.

LANDER COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$0.00	\$4,842.56	\$0.00	\$4,842.56
Local School Support Tax	2.600%	\$0.00	\$6,295.33	\$0.00	\$6,295.33
Basic City Relief	0.500%	\$0.00	\$1,210.64	\$0.00	\$1,210.64
Supp. City County Relief	1.750%	\$0.00	\$4,237.24	\$0.00	\$4,237.24
County Option	0.250%	\$0.00	\$605.32	\$0.00	\$605.32

Total Amount

Abated

(State & Local/County):

1st year	\$0.00
2nd year	\$10,895.76
3rd year	\$0.00
Total	<u><u>\$10,895.76</u></u>

Total Amount

Abated

(Local/County Only):

1st year	\$0.00
2nd year	\$6,053.20
3rd year	\$0.00
Total	<u><u>\$6,053.20</u></u>

*First year fiscal breakdown does not include purchases already made.

EUREKA COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	6.850%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$42,421.14	\$322,522.96	\$0.00	\$364,944.10
Local School Support Tax	2.600%	\$55,147.48	\$419,279.85	\$0.00	\$474,427.33
Basic City Relief	0.500%	\$10,605.29	\$80,630.74	\$0.00	\$91,236.03
Supp. City County Relief	1.750%	\$37,118.50	\$282,207.59	\$0.00	\$319,326.09
County Option	0.000%	\$0.00	\$0.00	\$0.00	\$0.00

Total Amount Abated (State & Local/County):

1st year	\$90,144.92
2nd year	\$685,361.29
3rd year	\$0.00
Total	<u><u>\$775,506.21</u></u>

Total Amount Abated (Local/County Only):

1st year	\$47,723.78
2nd year	\$362,838.33
3rd year	\$0.00
Total	<u><u>\$410,562.11</u></u>

*First year fiscal breakdown does not include purchases already made.

CLARK COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	8.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$0.00	\$249,374.28	\$0.00	\$249,374.28
Local School Support Tax	2.600%	\$0.00	\$324,186.56	\$0.00	\$324,186.56
Basic City Relief	0.500%	\$0.00	\$62,343.57	\$0.00	\$62,343.57
Supp. City County Relief	1.750%	\$0.00	\$218,202.50	\$0.00	\$218,202.50
County Option	1.250%	\$0.00	\$155,858.93	\$0.00	\$155,858.93

Total Amount

Abated

(State & Local/County):

1st year	\$0.00
2nd year	\$685,779.27
3rd year	\$0.00
Total	<u>\$685,779.27</u>

Total Amount

Abated

(Local/County Only):

1st year	\$0.00
2nd year	\$436,404.99
3rd year	\$0.00
Total	<u>\$436,404.99</u>

*First year fiscal breakdown does not include purchases already made.

TOTAL FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
		*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$1,586,840.54	\$2,040,790.84	\$0.00	\$3,627,631.38
Local School Support Tax	2.600%	\$2,062,892.70	\$2,653,028.09	\$0.00	\$4,715,920.79
Basic City Relief	0.500%	\$396,710.14	\$510,197.71	\$0.00	\$906,907.85
Supp. City County Relief	1.750%	\$1,388,485.47	\$1,785,691.99	\$0.00	\$3,174,177.46
County Option	Variable	\$316,823.20	\$552,440.02	\$0.00	\$869,263.22

Total Amount Abated (State & Local/County):	1st year	\$3,688,859.35
	2nd year	\$4,889,120.56
	3rd year	\$0.00
	Total	<u>\$8,577,979.90</u>

Total Amount Abated (Local/County Only):	1st year	\$2,102,018.81
	2nd year	\$2,848,329.72
	3rd year	\$0.00
	Total	<u>\$4,950,348.52</u>

*First year fiscal breakdown does not include purchases already made.

Exhibit (F) Prefiled Testimony Jim McMorran

Application No. 11-061411TR
Direct Testimony of
JAMES D. MCMORAN
On behalf of
Nevada Power Company, dba NV Energy
Sierra Pacific Power Company, dba NV Energy

1. **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**
A. My name is James D. McMorran and my business address in 6100 Neil Road, Reno, Nevada.
2. **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**
A. I am Manager of Transmission Strategy for NV Energy.
3. **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**
A. I am testifying on behalf of NV Energy as the Project Manager for the ON Line Owners. The ON Line project is jointly owned by Sierra Pacific Power Company ("SPPC"), Nevada Power Company ("NPC"), both d/b/a NV Energy (collectively "NV Energy"), and Great Basin Transmission South, LLC ("GBT-South") (an affiliate of LS Power) (NV Energy and GBT-South together, the "ON Line Parties").
4. **Q. DOES ATTACHMENT 1 ACCURATELY DESCRIBE YOUR BACKGROUND AND EXPERIENCE?**
A. Yes, it does.
5. **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?**
A. The purpose of my testimony is to support the ON Line Parties' request for partial tax abatement for the ON Line Project. I will provide specific information related to the ON Line Project to assist the Director, Nevada State Office of Energy in considering the application for partial tax abatement.
6. **Q. WHAT TYPE OF ABATEMENTS ARE THE ON LINE PARTIES REQUESTING FOR THIS PROJECT?**
A. The ON Line Parties are requesting partial abatement of the sales and use taxes for personal property purchased for the ON Line Project, and the property tax on the real and personal property associated with the ON Line Project.
7. **Q. CAN YOU PLEASE PROVIDE AN OVERVIEW OF THE ON LINE PARTIES?**
A. NPC and SPPC are public utilities that generate, transmit and distribute electric energy and, in the case of SPPC, also deliver natural gas service in Nevada. At year-end 2010, NPC served approximately 830,000 electric customers primarily in Las Vegas, North Las Vegas, Henderson and adjoining areas, including Nellis Air Force Base and the DOE's Nevada Test Site in

Nye County. At year end 2010, SPPC served approximately 367,000 electric customers and its electric service territory covered over 50,000 square miles of western, central and northeastern Nevada, including the cities of Reno, Sparks, Carson City, and Elko, and a portion of eastern California, including the Lake Tahoe area (however, on January 1, 2011, SPPC sold its California assets). Additionally, SPPC provided natural gas service to approximately 151,000 customers in an area of about 800 square miles in Nevada's Reno/Sparks area.

Great Basin Transmission South, LLC ("GBT-South") is a member of the LS Power Group ("LS Power"), a power generation and transmission group with a proven track record of successful project development, operations management and commercial execution.

8. Q. PLEASE DESCRIBE THE PROJECT IN MORE DETAIL.

A. The Project consists of construction, operation and maintenance of: 1) a new 500 kV/345 kV electric substation located approx. 18 miles northwest of Ely, NV in the Robinson Summit area, and including facilities to interconnect with Sierra Pacific Power Company's 345 kV Falcon to Gonder transmission line; 2) a 235-mile long, aboveground, 500 kV single circuit electric transmission line, stretching between a southern terminus at NPC's 500 kV Harry Allen Substation in Clark County, (approx. 20 miles northeast of Las Vegas), and a northern terminus at the new Robinson Summit substation; 3) a 500 kV switchyard addition to be located at NPC's 500 kV Harry Allen Substation; and 4) a fiber optic and microwave tower communications system. The ON line project has an estimated initial capability of approximately 600 MWs (increased flows may be possible depending on generation sourcing and other system conditions).

9. Q. WHAT BENEFITS WILL THE ON LINE PROJECT BRING TO THE STATE OF NEVADA?

A. The ON Line project consists of facilities for the transmission of electricity produced from renewable energy or geothermal resources in this State as required by statute (NRS 701A.360). ON Line provides multiple benefits accruing to renewable energy development, RPS compliance and resource integration. For example, ON line:

- Enables the development of a number of renewable energy projects throughout Nevada.
- Interconnects NV Energy's northern Nevada service area with its southern Nevada service area for the first time.
- Enhances overall energy-sharing efficiencies for NV Energy's power generation resources.
- Allows the use of all of NV Energy's generating resources to better manage the integration of intermittent renewable resources, such as wind and solar. Without this increased capability the development of renewable resources in the State would be stymied as the system could not reliably or economically manage the variability of such resources.
- Improves system reliability.
- Enables NV Energy to more cost effectively comply with Nevada's Renewable Portfolio Standard ("RPS") than would have been possible in its absence. ON line allows geographically constrained resources, such as geothermal, to be developed in the northern part of the system for use in the southern part of the State where the majority of the load is located. It also allows solar resources in the south to be developed for systemwide use, thus resulting in reduced costs and more efficient utilization of the system for all customers' benefit.

- Allows the more than 1,200 MWs of renewable projects that NV Energy has under contract to be used throughout the system.
- Allows over 600 MWs of renewable resources committed to NV Energy South (NPC), but located in the north, to be delivered to the load center in southern Nevada where it is needed. NV Energy South is currently developing an additional 200 MWs of renewable resources in northern Nevada and finalizing agreements for an additional 100 MWs of future renewable resources that are currently under development.
- Provides benefits to the local economies where construction is occurring such as White Pine County where hotels, motels, R.V. camps, restaurants and stores have seen significant increases in business.

10. Q. WHAT EXPERIENCE DO THE ON LINE PARTIES HAVE IN DEVELOPING AND OPERATING TRANSMISSION FACILITIES?

A. NV Energy has served as a Balancing Authority and operated the NPC and SPPC Balancing Authority Areas and electric systems for more than 100 years. As such, NV Energy's utilities have built an integrated transmission system with over 3,800 line miles of transmission voltage facilities. Over the last 12 years only, NV Energy has constructed several major interconnections (five interties) to other utilities in the West. These lines total over 600 Miles of new High Voltage (230 kV) and Extra High Voltage (345 & 500 kV) transmission.

GBT-South, a joint owner of the ON Line transmission project, is an affiliate of LS Power. Through various affiliates LS Power is actively engaged in transmission development across the country with more than 1000 miles of transmission planned to help deliver renewable resources to load, reduce transmission constraints, and/or increase reliability. These projects include: (1) two 500 kV transmission line segments under development by Great Basin Transmission, LLC ("Great Basin Transmission"), each of which complements the ON Line project referenced above, namely, the Southwest Intertie Project – North (to be located in Nevada and Idaho) and the Southern Nevada Intertie Project (to be located in Nevada); (2) approximately 235 miles of double circuit 345 kV transmission in Texas under construction by Cross Texas Transmission, LLC ("Cross Texas") as part of the State of Texas Competitive Renewable Energy Zone Transmission Plan; (3) the Wyoming Colorado Intertie, an approximately 180 mile 345 kV line under development in Wyoming and Colorado; and (4) additional transmission projects submitted to PJM for consideration with respect to market efficiency, reliability and/or public policy objectives.

11. Q. ARE THE ON LINE PARTIES QUALIFIED TO CONDUCT BUSINESS IN NEVADA AND DO THEY HOLD VALID NEVADA BUSINESS LICENSES?

A. Yes, they are and they do.

12. Q. HAVE THE ON LINE PARTIES OBTAINED ALL MAJOR PERMITS REQUIRED TO CONSTRUCT THE PROJECT?

A. Yes.

13. Q. WILL THE ON LINE PARTIES OBTAIN AND MAINTAIN ALL REQUIRED LICENSES AND PERMITS TO OPERATE THE PROJECT?

A. Yes.

14. Q. ARE YOU FAMILIAR WITH THE APPLICATION FOR PARTIAL ABATEMENT FILED ON BEHALF OF THE PROJECT?

A. Yes, I am.

15. Q. IS THE INFORMATION IN THAT APPLICATION TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?

A. Yes, it is.

16. Q. WILL ANY PUBLIC LAND OR FUNDING FROM A GOVERNMENTAL ENTITY IN THIS STATE BE USED FOR THE PROJECT?

A. The Project will be located almost exclusively on public lands managed by the U.S. Department of Interior-Bureau of Land Management ("BLM"). The 235-mile long, aboveground, 500 kV single circuit electric transmission line will be located primarily within the southern portion of the Right-of-Way ("ROW") issued by the BLM for the Southwest Intertie Project, and more specifically within the BLM ROW grant identified as NVN-85210, including all amendments to such grant, which grant and amendments are on file in the BLM District Office in Ely, NV. The new 500 kV/345 kV electric substation located approx. 18 miles northwest of Ely, NV in the Robinson Summit area, and the facilities to interconnect with Sierra Pacific Power Company's 345 kV Falcon to Gonder transmission line are located within BLM ROW grants NVN-89507 and NVN-89508, respectively, also on file in the BLM District Office in Ely, NV.

No funding is or will be provided by any governmental entity in this State.

17. Q. HAS OR WILL ANY STATE OR LOCAL FUNDING BE PROVIDED FOR THE ACQUISITION, DESIGN OR CONSTRUCTION OF THE PROJECT?

A. No.

18. Q. WILL THE PROJECT BE OWNED OR OPERATED BY A GOVERNMENTAL ENTITY?

A. No.

19. Q. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING ANY OTHER TAX ABATEMENT OR EXEMPTION FOR THE PROJECT?

A. No.

20. Q. HOW MUCH CAPITAL WILL BE INVESTED IN THE PROJECT?

A. The Public Utilities Commission of Nevada approved a budget of \$509 million for the project, exclusive of AFUDC.

21. **Q. HOW MANY PEOPLE WILL BE EMPLOYED DURING THE SECOND QUARTER OF CONSTRUCTION OF THE PROJECT?**
A. We anticipate at least 244 construction employees during the second quarter of construction.
22. **Q. WHAT PERCENTAGE OF THE ON LINE CONSTRUCTION EMPLOYEES WILL BE NEVADA RESIDENTS?**
A. At least 30% of the construction employees will be Nevada residents.
23. **Q. WHAT WILL BE THE AVERAGE HOURLY WAGE FOR CONSTRUCTION EMPLOYEES, EXCLUDING MANAGEMENT AND ADMINISTRATIVE EMPLOYEES?**
A. We anticipate an average hourly wage of \$32 for construction employees.
24. **Q. WILL THE CONSTRUCTION EMPLOYEES BE PROVIDED A HEALTH INSURANCE PLAN WITH AN OPTION FOR COVERAGE OF THE DEPENDENTS OF EMPLOYEES?**
A. Construction contractors and sub contractors utilize union labor (including IBEW local 396 and local 1245, Operating Engineers locals 12 and 3, Teamsters locals 631 and 533), and as such are covered (including Dependent Care) per their individual compensation plans.
25. **Q. HOW MANY PERMANENT EMPLOYEES WILL BE EMPLOYED BY THE PROJECT AFTER IT BEGINS OPERATIONS?**
A. ON Line will be operated and maintained by NV Energy the same as any other line on its system using its regular employee workforce.
26. **Q. WHAT WILL BE THE AVERAGE WAGE OF THESE EMPLOYEES AND WILL THEY RECEIVE BENEFITS?**
A. See Question 25 above. NV Energy's employees are compensated and/or receive benefits in accordance with company policies and collective bargaining agreements, where applicable.
27. **Q. HOW LONG WILL THE PROJECT BE IN OPERATION?**
A. Transmission facilities are typically designed and constructed to remain in operation for 50 years or more.
28. **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
A. Yes, it does.

ATTACHMENT 1
BACKGROUND AND EXPERIENCE

James D. McMorrان is Manager of Transmission Strategy for NV Energy and is responsible for various transmission assignments including the Application for Partial Tax Abatement for the ON Line Project. Mr. McMorrان has more than 27 years of experience in the electric and natural gas utility sector, including 18 years of experience with NV Energy and nine years with Southern California Gas Company. His experience includes transmission, finance, investor relations, accounting and internal audit. He joined NV Energy in 1992 and has served as accounting manager, investor relations manager, principal financial analyst, transmission policy and contracts executive, and manager of transmission strategy. He previously was employed by Arthur Andersen & Co. in the San Francisco Tax Division.

Mr. McMorrان holds an MBA from the University of Nevada and a BS in Business Administration from California Polytechnic State University. He also is a Certified Public Accountant.

Exhibit (G) Notice of Intent to Participate
Lincoln County

BEFORE THE NEVADA ENERGY DIRECTOR

NEVADA STATE OFFICE OF ENERGY

In the Matter of the Application of
AFN: 11-061411TR Nevada Power
Company d/b/a/ NV Energy and
Sierra Pacific Power
One Nevada Transmission Line Project

October 19, 2011

NOTICE OF INTENT TO PARTICIPATE

PLEASE TAKE NOTICE that Lincoln County intends to participate as a party in the public hearing to be held before the Nevada Energy Director ("Director") regarding the above application on Friday, October 21, 2011 at 1:00 p.m.

Pursuant to Section 23 of the applicable but as yet uncodified regulations (presently known as LCB File No. R094-10), various members of Lincoln County may participate in this hearing as a party because Lincoln County is the county in which the project or facility will be located. The members of the Board of County Commissioners; the County Assessor; and/or the County Treasurer will speak at the hearing.

Lincoln County intends to oppose the entire application. The application and proposed project violates NRS 701A.365 (1)(f),(2).

First, the financial benefits that will result to this State from the employment by the facility of the residents of this State and from capital investments by the facility in this State will NOT exceed the loss of tax revenue that will result from the abatement.

Second, the Commissioner should not approve this application for a partial abatement because the application was never approved pursuant to this subsection 2 of NRS 701A.365. The board of county commissioners of Lincoln County never approved the application. Thirty days have passed without approval and the application should now be deemed denied.

Lincoln County intends to call George "Tommy" Rowe (County Commissioner), Paul Matthews (County Commissioner), Kevin Phillips (County Commissioner), Ed Higbee (County Commissioner), Paul Donahue (County Commissioner), Kathy Hiatt (County Treasurer), and/or Melanie McBride (County Assessor).

By the Lincoln County District Attorney,

Daniel M. Hooge

Daniel M. Hooge

Exhibit (H) Notice of Intent to Participate

Nye County

NYE COUNTY DISTRICT ATTORNEY
P.O. BOX 39
PAHRUMP, NEVADA 89041
(775) 751-7080

1 BRIAN T. KUNZI
District Attorney
2 CIVIL DIVISION
State Bar No. 2173
3 By: TIMOTHY B. SUTTON
Deputy District Attorney
4 State Bar No. 11724
1520 East Basin Road, Suite 107
5 Pahrump, Nevada 89060
(775) 751-7080
6 *Attorneys for Nye County*

7 **BEFORE THE NEVADA ENERGY DIRECTOR**
8 **NEVADA STATE OFFICE OF ENERGY**

9 In the Matter of the Application of:
10
11 Nevada Power Company
d/b/a/ NV Energy and Sierra Pacific Power
12 One Nevada Transmission Line Project

AFN: 11-061411TR

13 **NOTICE OF INTENT TO PARTICIPATE**

14
15 **COMES NOW, THE COUNTY OF NYE**, by and through its attorney, BRIAN T.
16 KUNZI, District Attorney within and for the County of Nye, State of Nevada, and
17 hereby files its Notice of Intent to Participate in this matter pursuant to LCB File No.
18 R094-10(23).

19 **I. STATEMENT OF INTENT**

20 The County of Nye intends to oppose the tax abatement application filed by
21 Nevada Power Company d/b/a/ NV Energy and Sierra Pacific Power.

22 **II. GENERAL OPPOSITION**

23 The County of Nye hereby files its statement of general opposition to the tax
24 abatement program set forth under NRS 701A.360 *et seq.* and other similar programs.

1 As is the case with most rural counties, Nye County has been financially crippled by
2 the current fiscal crisis. The surplus of substantially devalued residential property and
3 the accompanying downturn in the construction industry has dramatically reduced the
4 County's operating budget. Consequently, the County has eviscerated the budgets of
5 even the most essential programs such as fire, police, and emergency health services.
6 The Nye County School District has also suffered devastating financial losses resulting
7 in teacher and staff reductions and increased class sizes. In order to provide a basic
8 level of comfort and security to its citizens, Nye County must support and pursue all
9 reasonable measures that bring revenue into the County and oppose programs and
10 policies that do not. State-sponsored tax abatement programs such as the one
11 proffered under NRS 701A.360 *et seq.* substantially reduce the tax revenue that the
12 County would have enjoyed but for the abatement.

13 **III. LEGAL POSITION**

14 Pursuant to NRS 701A.365(2)(b), the Applicant must obtain all required State
15 and County permits in order to qualify for a tax abatement. Additionally, at the
16 September 6, 2011 meeting of the Nye County Board of Commissioners, Applicants
17 conducted a public presentation of the OnLine project. At the meeting, Applicants
18 assured the Board that they would apply for and obtain all necessary permits. To
19 date, the following permits are still required:

20 Flood Hazard Permit

21 Pursuant to Nye County Code (NCC) 15.12.140, a developer must apply for a
22 flood hazard prior to construction or other development to determine if the proposed
23 site is in an area of special flood hazard. If the area is determined to be within a
24

1 hazard area, the developer must comply with the provisions of the NCC section 15.
2 To date, Applicants have not applied for or obtained a flood hazard permit.

3 Encroachment Permit

4 Pursuant to NCC 12.08.010, "no "public road" [...], may be disturbed, dug up,
5 excavated, crossed, encroached upon or otherwise used for the laying or re-laying of
6 pipelines, ditches, flumes, sewers, poles, wires, approach roads, driveways, railways
7 or for any other purpose or encroachment, without a written permit[.]" Applicants have
8 recently obtained an encroachment permit; however, this permit was not acquired prior
9 to the start of construction. Additionally, in conjunction with the encroachment permit,
10 Applicants were also obligated to execute a road maintenance agreement with the
11 County. To date, Applicants have not executed a road maintenance agreement.

12 Applicants should be required to comply with all permit requirements prior to
13 approval of their application.

14 **IV. IDENTIFICATION OF WITNESSES**

15 Nye County Commissioner Joni Eastley will appear personally, and on behalf of
16 the County of Nye.

17 **V. RESERVATION OF RIGHTS**


18 In light of the bifurcated nature of the proceedings, the County of Nye reserves
19 its right to advance the above arguments and any others at the future hearing on
20 Applicant's request for partial abatement of property taxes.

21
22 Respectfully Submitted,

23 BRIAN T. KUNZI,
24 NYE COUNTY DISTRICT ATTORNEY

NYE COUNTY DISTRICT ATTORNEY
P.O. BOX 39
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By 
TIMOTHY B. SUTTON
DEPUTY DISTRICT ATTORNEY,
CIVIL DIVISION

Pursuant to NRS 239B.030 this document does not
contain the social security number of any person.