NORTHERN TIER TRANSMISSION GROUP

NTTG Sponsor Qualification Data

Project Submitted for Selection in Regional Transmission Plan for Regional Cost Allocation

(For submission window, please refer to the Attachment K of any NTTG Funding Member)*

1. Project Sponsor Description

Name and address	
Great Basin Transmission, LLC, 400 Chesterfield Center, Suite 110, St. Louis MO 63017	
Years in business	Operating environment (nature of business)
7+	Great Basin Transmission, LLC, an affiliate of LS Power, is an independent transmission

2. Project Summary

(Must provide project voltage, single or double circuit, AC or DC, estimated cost, approximate construction period and project location. Please specify the points of interconnection with the existing transmission grid.)

Summary of the proposed project

The Southwest Intertie Project is a single circuit 500 kV AC transmission line from the existing Midpoint Substation in Idaho to the existing Eldorado Substation in Nevada consisting of three segments, one of which is nearing operations.

Southwest Intertie Project - North (SWIP - N) is an approximately 275 mile single circuit 500 kV AC transmission line. The northern terminal is the existing Midpoint substation near Twin Falls, Idaho but an alternative could be the proposed Cedar Hill substation near the county line between Cassia and Twin Falls Counties in Idaho. The southern terminal is the Robinson Summit substation under construction near Ely, Nevada. All approvals for the commencement of construction of SWIP - N have been obtained as the project could be in service within 2 years of the commencement of construction which can occur upon completion of commerical arrangments for cost recovery. The estimated cost of SWIP - N is $550 million.

ON Line is an approximately 235 mile single circuit 500 kV AC transmission line that is under construction from the Robinson Summit substation to the existing Harry Allen substation north of Las Vegas, Nevada. ON Line is scheduled for completion before the end of 2013. An affiliate of LS Power owns 75% of ON Line and affiliates of NV Energy own 25% of ON Line, with 100% of the initial capacity of ON Line for the benefit of NV Energy. When SWIP-N is constructed, series compensation will be added to the ON Line circuit to increase the transfer capability of the entire path, and the increased transmission capacity gives rise to the sharing of capacity as described below.

The Southern Nevada Intertie Project or SNIP is an approximately 60 mile single circuit 500 kV AC transmission line from the Harry Allen substation to the existing Eldorado substation south of Las Vegas Nevada. SNIP can be placed in service within 18 months of the commencement of construction, which is subject to completion of commercial arrangements. The estimated cost of SNIP is $200 million.

Under the Transmission Use and Capacity Exchange Agreement with NV Energy, after completion of SWIP-N and SNIP, and the addition of series compensation to ON Line, NV Energy shall have a right to a certain percentage of the bi-directional capacity of the entire path (approximately 38%), from Midpoint to Eldorado, and LS Power shall have the right to a certain percentage (approximately 62%) of the bi-directional capacity from Midpoint to Eldorado, defined based on the final path rating.

3. Project Name: Southwest Intertie Project

4. Project sponsor demonstration of technical expertise to develop, construct and own the proposed facility

Management's experience in developing, constructing and owning a project of similar size and scope

LS Power entered independent transmission industry in 2005 with the acquisition of an option on the Southwest Intertie Project from Idaho Power, and formed Cross Texas Transmission, LLC ("Cross Texas") in 2008 to begin pursuing the CREZ opportunity in Texas. LS Power also has established a number of other transmission companies pursuing transmission development opportunities nationally. LS Power has over 700 circuit-miles of high-voltage transmission facilities which have completed construction or are under construction and scheduled to be energized in 2013.

Cross Texas

Cross Texas, a subsidiary of LS Power, is a rate-regulated Texas public utility operating within the area operated by the Electric Reliability Council of Texas ("ERCOT"). Cross Texas was selected in early 2009 by the Public Utility Commission of Texas ("PUCT") to construct, operate and maintain a portion of the Competitive Renewable Energy Zone ("CREZ") Transmission Plan, which is being developed to enable the delivery of renewable resources. The transmission service providers were selected through a competitive process including incumbent utilities and new entrants. The PUCT determined Cross Texas to be one of the new entrants best qualified to develop, own, and operate a portion of participate in the CREZ Transmission Plan.

The Cross Texas facilities consist of approximately 240 miles of double circuit 345 kV transmission lines and associated equipment (e.g. one new substation, series compensation on one of the transmission lines, etc.) located in a seven-county area in the Texas Panhandle with an estimated capital cost of approximately $450 million. These Cross Texas facilities include the Gray to Tesla 345-kV transmission line, the Gray to Alibates 345-kV transmission line, the Tule Canyon to Tesla 345-kV transmission line, the Gray Substation, and the Cross Series Compensation Station. Cross Texas has development and construction capabilities both in 345 kV transmission line and substation facilities. Additionally, Cross Texas is processing interconnection requests for power generators and will build interconnection facilities necessary to connect such power generators to its system. The Cross Texas facilities are located in the eastern portion of the Texas Panhandle.

Beginning with its selection in 2009, Cross Texas has developed and constructed its initial Texas transmission facilities. In 2009, Cross Texas established its Code of Conduct in accordance with the Texas public utility regulatory requirements. Consistent with its Code of Conduct, LS Power has established separate, secure space for Cross Texas operations, maintains independent books and records, and conducts regular training of all company employees regarding the Code of Conduct and its requirements. LS Power also ensures compliance with the FERC Standards of Conduct for transmission related businesses outside of ERCOT.

Upon selection, Cross Texas conducted extensive community outreach, obtained routing approval from the Public Utility Commission of Texas, completed engineering and executed procurement and construction contracts for the project. Cross Texas was able to reach settlement in all three of its Certificate of Convenience and Necessity proceedings, where accommodations were reached with all intervening parties (73 total interveners) on acceptable routes. These intervening parties in the Texas proceeding included landowners, utilities, Public Utility Commission of Texas Staff, and the Texas Parks and Wildlife Department.

In 2010 and 2011, Cross Texas obtained the following final and non-appealable permits and approvals required for construction for all of its proposed 240 miles of double circuit 345 kV transmission lines and associated equipment and substations:

- Public Utility Commission of Texas Certificate of Convenience and Necessity;
- Texas General Land Office approvals for crossing submerged land;
- Nationwide Permit 12 (Federal Clean Water Act Section 404 Permit approval);
- Informal Consultations with US Fish and Wildlife and Texas Parks and Wildlife Department;
- Federal Aviation Administration No Hazard Determination;

- Texas Historical Commission Approval;
- Texas State Highway Crossing Approval; and
- Various Electric Utility and Pipeline Crossings Approvals.

In addition, Cross Texas obtained project financing legal opinions that Cross Texas had appropriately identified and obtained the necessary development permits appropriate for the planning and construction phase of the Cross Texas facilities. Cross Texas closed on its construction financing in July 2011 and has completed construction of its facilities, with all facilities in service.

Cross Texas has staff in Amarillo, Texas and Austin, Texas with support from LS Power corporate support services employees in other offices. Operations and maintenance is conducted by in-house staff with support of third party contractors. Zachry Industrial, Inc. provides inspection and emergency response services and South Texas Electric Cooperative provides real time operations and control services. Cross Texas is currently registered with NERC as a Transmission Planner and Transmission Owner and had no findings of non-compliance in its initial audit (which covered a period that Cross Texas was registered as a Transmission Planner).

ON Line / Southwest Intertie Project

The One Nevada Transmission Line (“ON Line”), represents approximately 235 miles of single-circuit 500 kV overhead transmission and associated transmission facilities that are currently under construction jointly with NV Energy. In August 2010, Great Basin Transmission and NV Energy entered into a Transmission Use and Capacity Exchange Agreement ("TUA"). The TUA has been approved by the Public Utilities Commission of Nevada and the Federal Energy Regulatory Commission. The ON Line demonstrates LS Power’s ability to develop and construct 500 kV transmission facilities and also LS Power’s ability to enter into creative partnership agreements with incumbent transmission owners. The LS Power affiliate which is the co-owner of ON Line obtained all required major permits and approvals required for construction such as NEPA review and Right-of-Way Grant, Endangered Species Act consultation, and approval of a detailed Construction, Operation and Maintenance Plan by the Bureau of Land Management. The environmental review was prepared by BLM as the lead agency, with the involvement of the Forest Service, National Park Service, Bureau of Indian Affairs, and Bureau of Reclamation as cooperating agencies. The following list outlines the permits that Great Basin Transmission obtained for construction of the project.

Authority, Permit Description(s)

- US Department of the Interior, Bureau of Land Management, Rights-of-Way Grant No. NVN-85210, NVN-89507, NVN-89508, NVN-89509 for 235-mile 500 kV transmission line, Underlying permits and approvals include NEPA (EIS), Record of Decision, Notices to Proceed with Construction, US Fish & Wildlife Biological Opinions, Construction Operation & Maintenance Plan
- US Department of the Interior, Bureau of Land Management, Telecommunications Rights-of-Way No. N-84551, N-84552, N-84553, N-84554, N-84555, N-84556, N-84559, N-84560, N-84561, N-845487, N-011754A, N-12873F, Underlying permits and approvals include NEPA review and Notice to Proceed
- US Department of the Interior, Bureau of Land Management , Rights-of-Way N-5314, N-064691, N-064692, N-059656, N-11754B, N-11754C, N-11754D, N-76179, Underlying permits and approvals include NEPA review and Notice to Proceed
- US Department of the Interior, Bureau of Land Management Cultural and Paleontological Approvals, Nevada BLM Survey Cultural Resource Use Permit N-50837, BLM State Paleontological Resources Permit N-89310, BLM State Cultural Resources Permit N-87191, Excavation and Removal Cultural Resource Use (ARPA) Permit(s), Fieldwork Authorizations for Cultural Resource Investigations, Acceptance of Fieldwork Completion Notifications, Fieldwork Authorizations for Paleontological Resources
- Clark County, Nevada, Department of Air Quality and Environmental Management, Dust Control Permit Number 38964,

- Clark County, Nevada, Department of Air Quality and Environmental Management, Dust Monitoring Certificates,
- Clark County, Nevada, Clark County Blasting Permit
- Clark County, Nevada, Dept. of Comprehensive Planning, Land Use Planning, Use Permit and Design Review UC-1061-08, Covering transmission line
- Clark County, Nevada, Dept. of Comprehensive Planning, Use Permits UC-0382-10, UC-0383-10,
- Federal Aviation Administration, Determinations of No Hazard to Air Navigation for microwave towers, 2010-AWP-5447-OE, 2011-AWP-1809-OE, 2010-AWP-7626-OE, 2011-AWP-2133-OE, 2010-AWP-7628-OE, 2010-AWP-7629-OE, 2010-AWP-7630-OE, 2011-AWP-1631-OE, 2011-AWP-1803-OE, 2010-AWP-7673-OE, 2011-AWP-1810-OE, 2010-AWP-7633-OE, 2010-AWP-7634-OE, 2010-AWP-7635-OE, 2011-AWP-1597-OE
- Federal Aviation Administration, Determinations of No Hazard to Air Navigation for transmission line, Several determinations for certain conductor segments with mid-span heights >200 ft above ground level (across canyons/gulleys)
- Federal Communications Commission, Radio Station Authorizations WNTA684, KCT76, WNTG459, WEG797, WNTZ275, WEG794, WEG795, WEG796, WQDV552, WPYT285, WNTZ286,
- Lincoln County, Nevada, Planning Commission, Special Use Permits, One covering transmission line and one covering telecommunications facilities
- Nevada Division of Environmental Protection, Bureau of Water Pollution Control, Compliance with General Stormwater Permit NVR1000000 and posting of Stormwater Pollution Prevention Plan, Various site locations
- Nevada Division of Environmental Protection, Bureau of Air Pollution Control, Class II Air Quality Operating Permits (Surface Area Disturbance Permit) No. AP1629-2551, Various site locations
- Nevada Division of Environmental Protection, Bureau of Air Quality Air permit for emergency generators at various telecom sites, Various site locations
- Nevada Division of Environmental Protection, Temporary Permit(s) for Working in Waterways
- Nevada Department of Wildlife, Wildlife Special Use Permits for handling of desert tortoise and gila monster
- Nevada Department of Transportation, Permit for Occupancy of Right-of-Way, Permit
- Numbers 111161-2009, 113950, 109951, and 109948.
- Nevada Department of Transportation, NDOT encroachment permits - Hwy 50 access to Robinson Substation,
- Nevada State Museum, Nevada State Antiquities Permits Number 248, Number 520, Number 585,
- Nevada State Museum, Nevada State Museum Curation Agreement
- Public Utilities Commission of Nevada, Utility Environmental Protection Act Permit to Construct, UEPA No. 377, Docket No. 07-06011 and Docket No. 09-06015
- State of Nevada, Nevada State Blasting Permit
- US Fish & Wildlife Service, Authorization for Desert Tortoise Biologists
- US Department of Energy, Federal Energy Regulatory Commission , Action of Acceptance for Filing of Robinson Summit Transmission Interconnection Agreement,
- US Department of Energy, Federal Energy Regulatory Commission , Action of Acceptance for Filing of Harry Allen Transmission Interconnection Agreement,
- US Department of Energy, Federal Energy Regulatory Commission , Order Accepting Transmission Use and Capacity Exchange Agreement,
- White Pine County, Nevada, Regional Planning Commission, Special Use Permits (one covering substation and telecommunication facilities, one covering transmission line.)

In February 2011, construction financing for Great Basin Transmission's ownership in ON Line was arranged in part through the U.S. Department of Energy's Loan Guarantee Program pursuant to the American Recovery and Reinvestment Act (ARRA). Eligibility for the DOE Loan Guarantee required extensive due diligence by DOE on LS Power's development, construction and operating capabilities as well as the project specific permits and construction plans. Construction is scheduled to be completed in 2013.

Great Basin Transmission has obtained permits for construction of SWIP-N and the federal NEPA process for SNIP is nearly complete with commencement of construction of each project subject to satisfactory cost recovery arrangements.

Relevant Generation Development Experience

LS Power's capability to manage large-scale development activity is also demonstrated by its power generation development experience, including two coal-fired generation projects that have recently completed construction. The Plum Point Energy Station and Sandy Creek Energy Station have a total collective cost of over $3.4 billion. Like many of LS Power's projects, these plants were developed in partnership with load serving entities, including municipal joint action agencies, cooperatives, and investor owned utilities, with LS Power having the lead in development, construction financing, and construction and operations management. These projects also demonstrate the steps that LS Power takes to contractually mitigate development, construction and operational risks. For both projects, LS Power entered into a fixed price, lump sum, turnkey EPC construction contract with extensive guarantee provisions and liquidated damages tied to plant performance and construction schedule.

Clear discussion of project sponsor's depth and breadth of technical expertise, including sponsor's internal expertise or external expertise, or both, to develop, construct and own the proposed project

LS Power is an experienced developer of large-scale energy projects, including several transmission projects. Since 1990, LS Power has had the technical and engineering capability to develop, own and/or operate over 25,000 MW of power generation facilities and two large high-voltage (345 kV and 500 kV) transmission projects totaling over 700 circuit-miles.

LS Power has experience in developing, owning and operating transmission facilities both as an element of its experience in developing, owning and operating generation facilities and as an independent transmission developer. LS Power has found that its expertise in the development of power generation facilities translates well to the development of large-scale transmission facilities. LS Power initiated its independent transmission development efforts in 2005 with a project in Nevada and Idaho. In 2009, an LS Power entity was selected by the Texas Public Utility Commission as one of the best qualified new entrants for designation for construction of new transmission facilities, and the Texas Public Utility Commission specifically found that an LS Power entity is one of the new entrants that "possess the current and expected capabilities to adequately finance, license, construct, operate, and maintain the facilities in the most beneficial and cost-effective manner." Each of these initial independent transmission projects began construction in 2011, with one complete and the other scheduled to be energized in 2013. In addition, LS Power has a number of transmission projects under develoment across the U.S. LS Power's efforts in developing, constructing, owning and operating these projects is described above.

LS Power also has had the technical and engineering capability to develop, own, and/or operate 46 generation facilities representing over 25,000 MW as listed in the following table.

				Development		Operations	
		Capacity			Construction		Current LS
Project	State	(MW)	Fuel		Management		Power Ownership
Sandy Creek	TX	890	Coal	X	X	X	X
Dover Sun Park	DE	10	Solar	X	X	X	X
AV Solar	AZ	125	Solar	X	X	X	X
Centinela	CA	175	Solar	X	X		X
West Deptford	NJ	738	NG	X	X		X
Apex	NV	527	NG			X	X
Bluegrass	KY	486	NG			X	X
Calhoun	AL	668	NG			X	X

Cherokee	SC	98	NG			X	X
DeSoto	FL	320	NG			X	X
Doswell	VA	776	NG			X	X
Renaissance	MI	644	NG			X	X
Riverside	KY	836	NG			X	X
Rocky Road	IL	330	NG			X	X
Safe Harbor	PA	139	Hydro			X	X
Tilton	IL	176	NG			X	X
University Park	IL	840	NG			X	X
Wallingford	CT	225	NG			X	X
Whitewater	WI	245	NG	X	X	X	
Cottage Grove	MN	245	NG	X	X	X	
Kendall	IL	1,160	NG	X	X	X	
Plum Point	AR	665	Coal	X	X		
Mustang	TX	487	NG	X	X		
Batesville	MS	837	NG	X	X		
Blackhawk	TX	230	NG	X			
Lockport	NY	200	NG	X			
Covert	MI	1,100	NG		X	X	
Harquahala	AZ	1,092	NG		X	X	
Millennium	MA	360	NG			X	
Athens	NY	1,080	NG			X	
Arlington Valley	AZ	570	NG			X	
Blythe	CA	507	NG			X	
Bosque	TX	770	NG			X	
Bridgeport	CT	490	NG			X	
Casco Bay	ME	520	NG			X	
Granite Ridge	NH	750	NG			X	
Griffith	AZ	600	NG			X	
Morro Bay	CA	1,002	NG			X	
Moss Landing	CA	2,529	NG			X	
Oakland	CA	165	Oil			X	
Ontelaunee	PA	560	NG			X	
Shady Hills	FL	469	NG			X	
South Bay	CA	700	NG			X	
Sugar Creek	IN	561	NG			X	
West Georgia	GA	613	NG			X	
Zeeland	MI	903	NG			X	

LS Power executed this work through an efficient organization leveraging its own internal expertise in combination with external resources as appropriate. LS Power assigns an individual project manager with the responsibility for overall project activities during each of the project phases. LS Power has significant development, construction, and operation functions in offices in New Jersey, Missouri, New York, California, and other support offices.

Successful and cost effective transmission development and construction requires the capability to manage a large number of major contractors, consultants, and suppliers. LS Power leverages its in-house capabilities with major contractors, consultants and suppliers. LS Power will individually select outside consultants and

contractors for each project, based on their experience and qualifications relative to the requirements of each individual project.

Name, location and description of a project of similar scale that demonstrates sponsor's technical expertise to develop, construct and own the proposed project

Transmission projects of similar scale that demonstrate LS Power's technical expertise to develop, construct, and own the proposed project are identified above:

Cross Texas Transmission, Texas, 240 miles of double circuit 345 kV transmission described above

ON Line, Nevada, 235 miles of single circuit 500 kV transmission described above

Generation projects of similar scale that demonstrate LS Power's technical expertise to develop, construct, and own the proposed project are identified above.

5. Project sponsor financial capability to develop, construct and own the proposed facility

Creditworthiness review requires the following information, if available:

- ☐ Most recent annual report attached
- ☐ Most recent quarterly report attached
- ☒ Last two most recent audited year-end financial statements attached
- ☐ Rating agency reports attached

Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies or investigations (if applicable)

The last two most recent audited year-end financial statements for LS Power Associates, L.P. will be provided subject to execution of a confidentiality agreement. THESE FINANCIAL STATEMENTS CONTAIN PRIVILEDGED INFORMATION - DO NOT RELEASE. LS Power Associates, L.P. is a private company without a rating and does not have an annual report, quarterly report, or rating agency reports. There have been no material events that have affected its financial standing since the release of the most recent financial statements including litigation, arbitration, contingencies, or investigations.

Other information supporting sponsor's financial expertise

LS Power finances each of its investments on a limited-recourse project finance basis with a combination of equity and debt. LS Power arranges debt in the various debt markets on a project-by-project basis based on the market conditions at the time. LS Power has excellent relationships with investors and debt providers. Over its history, LS Power has raised over $20 billion of debt and equity for investment into its projects and portfolio of subsidiary companies. In 2011, LS Power raised over $900 million for the construction of two large-scale transmission line projects, each on a project finance basis. Historically, LS Power-sponsored projects have attracted equity financing both from the LS Power Group and third-party investors such as insurance companies, private equity investors, and other institutional investors. The specific equity investors for the financing of a given project depends on market conditions and the investment appetite of equity investors at the time of financial close. LS Power Equity Advisors, LLC, which is part of the LS Power Group and an affiliate of its transmission development companies, is an investment management company that controls and directs the investment of $4.3 billion in fully committed equity capital. Its investors are prominent institutions, pension funds, university endowments and other entities that have provided LS Power with a mandate to invest their equity capital in power, utilities, and infrastructure opportunities. LS Power enjoys excellent relationships with a large pool of investors and has a perfect track record of completing financings brought to market.

The common feature of all these financings is that a project-specific subsidiary created by LS Power raises the capital required to construct, acquire, and/or operate a power-related business, with equity support and asset management services provided by LS Power. At financial close, the equity investor group will irrevocably commit to provide equity capital to the project-specific company that will be used as the equity component of the financing for construction of the project. All committed financings, including sponsor equity, will be sized in consideration of capital costs estimates that assume a reasonable contingency for the cost of unplanned costs.

This organizational model insulates each LS Power subsidiary from the financial impact and operational risk of each of the other businesses, inherently providing an assurance of discipline and financing commitment to each business's counterparties. Every LS Power-sponsored business that has been taken to the financing community has been successfully financed. LS Power has been successful in raising capital in accommodative markets, and at times of market distress. For instance, the $1.6 billion of Sandy Creek Energy Associates closed its financing at the end of August 2007, as the 2008 financial crisis was taking shape and other borrowers were shut out of the credit markets.

LS Power's financing and structuring expertise has been recognized in the financial press with awards such as the 2006 Americas Power Deal of the Year (Project Finance International), 2006 North American Single Asset Deal of the Year (Project Finance Magazine), the 2007 North American Single Asset Deal of the Year (Project Finance Magazine) and the 2012 North American Single-Asset Power Deal of the Year (Project Finance Magazine).

An example of LS Power's ability to finance a significant transmission investment is Cross Texas. Cross Texas was financed in July 2011 on a non-recourse project finance basis with 55% debt and 45% equity, prior to completion of its initial rate case. The financing was supported by the credit of Cross Texas as a rate-regulated transmission-only utility under the jurisdiction of the Texas Public Utility Commission. Cross Texas filed its initial rate case in August 2012, and reached a settlement with all intervenors to set its initial rates and tariff.

The response to the question below is being provided here since there is not the ability to insert text below the question. LS Power Associates, L.P. does not have a credit rating, however, with respect to each of the three tests:

1. LS Power Associates, L.P. has existed for at least 5 years.
2. LS Power Associates, L.P. has maintained positive working capital for the prior 3 years; and
3. LS Power Associates, L.P. has a minimum tangible total assets of $10,000,000.

In addition to the qualification data above, demonstrate that the Project Sponsor, or the sponsor's parent company has either an investment grade rating, or, meets the following three tests:

1. Has existed for at least 5 years;
2. Has maintained positive working capital for the prior 3 years; and
3. Has a minimum tangible net worth of $1,000,000 or total asset of $10,000,000.

6. Proposed project financing plan

Clear description of how the project will be financed, including a list of the investors and the percentage ownership of each, and the proposed sources of debt and equity capital and the percentages of each.

The project will be financed on a project finance basis, but the specific investors and sources of debt will be determined subsequent to identification of final commercial arrangements for the project's cost recovery.

As is customary in the industry, SWIP will be funded on a standalone basis, with funds raised from third party lenders and committed equity contributed from LS Power, its affiliates, and business partners. This approach has been consistently and successfully applied by LS Power, for qualified businesses, since 1990. Since 2005, LS Power has raised over a total of over $20 billion of debt and equity for investment into its projects and portfolio of subsidiary companies on this basis, including nearly $1 billion for its portion of the construction of two large-scale independent transmission facilities.

Great Basin Transmission anticipates that it will raise limited-recourse debt financing that will be utilized to finance equipment and material purchases, undertake construction activity, and fund construction management and other expenses in conjunction with additional equity invested by LS Power, its affiliates, and business partners. In a limited-recourse financing, the lenders only have the business's assets to look to as collateral for their loan, which will require them to undertake very careful diligence of its business operations. These assets include, but are not limited to, real estate and easements, operative environmental and regulatory permits, contracts for design, construction and equipment supply, electrical interconnection agreements, commerical arrangements for cost recovery and the equity commitment provided by the owner. Drawing upon its experience financing other similar companies, LS Power anticipates that the lenders' scope of review will cover,

among other things, the projected uses of funds, the proposed construction management approach, the cash flow stability of the business, the technology risk associated with operations, and the level of financial commitment from the owners. LS Power routinely employs creative and experienced structuring of its portfolio businesses to enhance the stability of its non-recourse financed businesses beyond that of many stand-alone utility companies.

There are three primary markets for non-recourse and limited-recourse financings: the commercial bank market, the institutional term loan market and the bond/private placement market. Typically, in the commercial bank market and the term loan market one or more lead banks syndicate the debt among a larger group of banks or institutional funds. In the bond/private placement market, one or more lead underwriters manage the sale of debt to bondholders such as institutional investors. In the past, all three of these markets have been utilized by LS Power in debt financing its projects and portfolio companies. The decision to raise debt, in any one of these markets, or through a combination of two or more of these markets, will be made closer to financing, based on the conditions of each market at such time. This approach, including the ring-fencing of the project entity, provides stakeholders assurance of protection from any potential concerns related to the business risks of any other LS Power activity.

In ongoing and constructive discussions with the lending community, it is clear that banks and other lenders are enthusiastic about lending to businesses that own and control transmission facilities, such as the SWIP.

The required equity will be sourced from internal funds from LS Power and from third party institutional equity investors.

7. Project sponsor ability to maintain and operate proposed facility

Clear description of project sponsor's ability to operate and maintain the proposed project. Must provide (1) actual examples of operation and maintenance experience, including duration (years) of experience for similar size project; or (2) provide similar information for sponsor's consultant or outsourced entity.

During operations, each LS Power company has a single Operations Manager. The Operations Manager will have the support of many engineers and other personnel and will also draw upon other resources and experts throughout LS Power, such as legal, regulatory, and accounting. The responsibilities of the Operations Manager will include

- Develop and maintain procedures including operations procedures, maintenance procedures, and communications protocols
- Ensure compliance with all WECC and NERC standards including for a Transmission Owner and Transmission Operator
- Oversee real time systems operations
- Ensure timely emergency response capability is available at all times
- Oversee implementation of a spare parts inventory control system
- Procure and maintain insurance
- Maintain permits and monitor compliance with the conditions of the permits
- Develop and implement a scheduled maintenance plan
- Manage and direct procurement procedures and programs for the required goods and services for Project operation and maintenance
- Develop and manage a records management system to assure all such records are safe and secure and available for inspection
- Manage obligations under all contracts.

This is the same approach LS Power takes for all of its operating assets, including Cross Texas which began operations earlier in 2013.

In the case of SWIP, the specific outsourced entities for certain operations and maintenance activities have been identified.

Under the TUA, NV Energy will be operating SWIP-N, ON Line, and SNIP, and NV Energy will be maintaining ON Line. This includes real time operations, protection, and control, control area monitoring, and field

maintenance, inspections, vegetative management and emergency response, all in compliance with NERC and WECC requirements. NV Energy is an incumbent utility in the area and has been operating in Northern Nevada for over 150 years.

LS Power will be responsible for maintenance of SWIP-N and SNIP, and has an alliance agreement with MYR Transmission Services, Inc. ("MYR") including transmission line maintenance, vegetative management and emergency response for independent transmission projects including SWIP-N and SNIP. MYR has over 120 years of experience and over 3,000 employees nationwide, including Sturgeon Electric Company, Inc. which has operated in the region for over 100 years.

8. Primary Project Contact

Name	Title
Lawrence Willick	Senior Vice President
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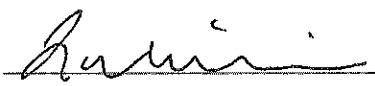
* All information supplied to NTTG must be marked by the provider in accordance with the appropriate document class and is treated appropriately by all committee and subcommittee members. The markings should be as follows:

a) None or "Public"

b) Contains Critical Energy Infrastructure Information—Do Not Release. http://www.ferc.gov/legal/ceii-foia/ceii/classes.asp

c) Contains Privileged Information—Do Not Release

Print Name: Lawrence Willick

Signature:  Date: October 31, 2013

E-mail this form and all supporting documents to info@nttg.biz.