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SIERRA PACIFIC POWER COMPANY

TO

NEW ENGLAND MERCHANTS NATIONAL BANK  
(successor to The New England Trust Company)

AND

JAMES S. FISHER  
AS TRUSTEES

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***Eighteenth Supplemental Indenture***

*Dated as of August 1, 1977*

Supplementing and Modifying the Indenture of Mortgage  
dated as of December 1, 1940.

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This is a Security Agreement covering personal property as well as  
other property real and/or personal.

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**THIS EIGHTEENTH SUPPLEMENTAL INDENTURE** dated as of the first day of August, 1977 by and between SIERRA PACIFIC POWER COMPANY, as Debtor (its IRS employer identification number being 88-0044418), a corporation duly organized and existing under the laws of the State of Nevada (hereinafter sometimes called the "Company"), whose mailing address is P. O. Box 10100 Reno, Nevada 89510 and address of its chief place of business is 100 East Moana Lane, Reno, Nevada, party of the first part, and NEW ENGLAND MERCHANTS NATIONAL BANK (successor to THE NEW ENGLAND TRUST COMPANY), a national banking association duly organized and existing under the laws of the United States of America, and having its chief place of business at Prudential Center, Boston, Massachusetts, as Trustee and Secured Party (its IRS employer identification number being 04-2274939) and JAMES S. FISHER, as Co-Trustee and Secured Party (whose Social Security number is 008-28-5228 and whose residence address is 7 Brentwood Road, Sudbury, Massachusetts), the mailing address of each of whom is 28 State Street, Boston, Massachusetts (both of whom are hereinafter sometimes called the "Trustees", the former being hereinafter sometimes called the "Trustee" and the latter the "Individual Trustee" or "Co-Trustee"), parties of the second part.

WHEREAS, Sierra Pacific Power Company (formerly known as The Truckee River General Electric Company and also as Truckee River Power Company), a corporation duly organized and existing under the laws of the State of Maine (hereinafter called the "Predecessor Company"), heretofore executed and delivered to The New England Trust Company and Leo W. Huegle, as Trustees, an Indenture of Mortgage, dated as of December 1, 1940 (hereinafter called the "Original Indenture") to secure, as provided therein, its bonds (in the Original Indenture and herein called the "Bonds") to be designated generally as its First Mortgage Bonds and to be issued in one or more series as provided in the Original Indenture; and

WHEREAS, by virtue of § 15.24 of the Original Indenture New England Merchants National Bank is now qualified and acting as successor Trustee thereunder as the result of the conversion of The New England Trust Company into a national banking association under the name New England National Bank of Boston on October 17, 1960, the consolidation of said national banking association with The Merchants National Bank of Boston

under the name New England Merchants National Bank of Boston as of December 31, 1960 and the merger of said New England Merchants National Bank of Boston into New England Merchants Bank (National Association) under the name New England Merchants National Bank as of June 18, 1970; and

WHEREAS, on April 11, 1947, Leo W. Huegle, Co-Trustee under the Original Indenture, resigned, and the Predecessor Company and the Trustee, in accordance with the provisions of § 15.20 of the Original Indenture, accepted such resignation and appointed Fletcher C. Chamberlin as successor Co-Trustee thereunder; and

WHEREAS, on November 18, 1974, Fletcher C. Chamberlin resigned as Co-Trustee and the Company and the Trustee, in accordance with the provisions of § 15.20 of the Original Indenture, accepted such resignation and appointed James S. Fisher as successor Co-Trustee thereunder, and James S. Fisher is now the qualified and acting Co-Trustee thereunder; and

WHEREAS, the Predecessor Company heretofore executed and delivered to the Trustees nine Supplemental Indentures dated, respectively, as of August 1, 1947, April 1, 1948, October 1, 1952, November 1, 1954, November 1, 1956, April 1, 1958, May 1, 1961, June 1, 1962 and June 1, 1964 supplementing and/or modifying the Original Indenture, pursuant to each of which the Predecessor Company provided for the creation of a new series of First Mortgage Bonds; and

WHEREAS, the Predecessor Company was merged into the Company on March 31, 1965, whereupon the Company acquired all the property, real, personal or mixed, including all rights, privileges, easements, licenses and franchises, described in the Original Indenture as theretofore supplemented and modified and thereby conveyed or mortgaged or intended so to be, including all such property acquired by the Predecessor Company since the execution and delivery of the Original Indenture, which by the terms of the Original Indenture as theretofore supplemented and modified was subjected or intended to be subjected to the lien thereof, and the Company thereupon executed and delivered to the Trustees a Tenth Supplemental Indenture dated as of March 31, 1965, whereby the Company succeeded to the Predecessor Company with the same effect as if the Company had been named in the Original Indenture as the mortgagor company and in the Bonds and coupons as the obligor thereon or maker thereof; and

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WHEREAS, the Company heretofore executed and delivered to the Trustees an Eleventh Supplemental Indenture dated as of October 1, 1965, a Twelfth Supplemental Indenture dated as of July 1, 1967, a Thirteenth Supplemental Indenture dated as of May 1, 1970, a Fourteenth Supplemental Indenture dated as of November 1, 1972, a Fifteenth Supplemental Indenture dated as of May 1, 1974, a Sixteenth Supplemental Indenture dated as of October 1, 1975 and a Seventeenth Supplemental Indenture dated as of July 1, 1976, each supplementing and/or modifying the Original Indenture, pursuant to each of which the Company provided for the creation of a new series of First Mortgage Bonds; and

WHEREAS, pursuant to the Original Indenture, as so supplemented and modified, there have been executed, authenticated and delivered and there are now outstanding First Mortgage Bonds of series and in principal amounts as follows:

<u>Title</u>	<u>Issued and Outstanding</u>
3½% Bonds of 1978 Series .....	\$ 3,500,000
3¾% Bonds of 1984 Series .....	4,000,000
5¼% Bonds of 1986 Series .....	3,000,000
4½% Bonds of 1988 Series .....	3,000,000
5 % Bonds of 1991 Series .....	6,500,000
4¾% Bonds of 1992 Series .....	5,000,000
4¾% Bonds of 1994 Series .....	7,000,000
5 % Bonds of 1995 Series .....	10,000,000
6½% Bonds of 1997 Series .....	15,000,000
9¼% Bonds of 2000 Series .....	15,000,000
8¾% Bonds of 2002 Series .....	20,000,000
9¾% Bonds of 2004 Series .....	30,000,000
2 % Bonds of 2011 Series .....	3,589,000
7¾% Bonds of Series P due 2006 .....	10,000,000

WHEREAS, the Board of Directors of the Company has established under said Original Indenture, as supplemented and modified, a new series of Bonds to be designated First Mortgage Bonds, 8¾% Series Q due 2007, to be dated as of August 1, 1977 and to be due August 1, 2007 (hereinafter sometimes referred to as "Bonds of the 2007 Series") and has authorized the initial issue of Bonds of the 2007 Series in the principal amount of Thirty-five Million Dollars (\$35,000,000) pursuant to the provisions of Article 3 of

the Original Indenture for the purposes of refunding the outstanding 9% Bonds of the 2000 Series and obtaining funds for its corporate purposes; and

WHEREAS, § 16.01 of the Original Indenture provides, among other things, that the Company may execute and file with the Trustees, and the Trustees at the request of the Company shall join in, indentures supplemental to the Original Indenture and which thereafter shall form a part thereof, for the purposes, among others, of (a) describing the terms of any new series of Bonds as established by resolution of the Board of Directors of the Company pursuant to § 2.03 of the Original Indenture, (b) subjecting to the lien of the Original Indenture, or perfecting the lien thereof upon, any additional properties of any character, (c) modifying any of the provisions of the Original Indenture to the extent permitted therein and (d) for any other purpose not inconsistent with the terms of the Original Indenture and which shall not impair the security of the same, or for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provision contained therein; and

WHEREAS, the Company desires to execute this Eighteenth Supplemental Indenture and hereby requests the Trustees to join in this Eighteenth Supplemental Indenture for the purpose of (i) describing the terms of the Bonds of the 2007 Series, (ii) subjecting to the lien of the Original Indenture, as supplemented and modified, or perfecting the lien thereof upon, additional properties acquired by the Company since the execution and delivery of the Original Indenture, (iii) correcting the Fifteenth Supplemental Indenture pursuant to § 16.01 (g) of the Original Indenture and (iv) modifying certain provisions of the Original Indenture pursuant to § 16.01 (f) thereof (the Original Indenture, as heretofore supplemented and modified and as hereby supplemented and modified being herein sometimes called the "Indenture"); and

WHEREAS, all conditions necessary to authorize the execution, delivery and recording of this Eighteenth Supplemental Indenture and to make this Eighteenth Supplemental Indenture a valid and binding Indenture of Mortgage for the security of the Bonds of the Company issued or to be issued under the Indenture have been complied with or have been done or performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in order to secure equally and ratably the payment of the principal and interest of the Bonds issued under and secured by the Original

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Indenture, as heretofore supplemented and modified and hereby supplemented and modified, at any time outstanding, according to their tenor and effect, and the performance of all the covenants and conditions in the Indenture and in said Bonds contained, the Company for and in consideration of the premises and of the purchase and acceptance of said Bonds by the holders thereof, and of the sum of one dollar (\$1.00) and of other valuable consideration to it duly paid by the Trustees at or before the execution and delivery of these presents, the receipt whereof is hereby acknowledged, has executed and delivered these presents, and has granted, bargained, sold, conveyed, transferred, pledged, assigned, remised, released, mortgaged, set over and confirmed, and by these presents does grant, bargain, sell, convey, transfer, pledge, assign, remise, release, mortgage, set over and confirm, all of the property hereinafter described (except the property described in Part IV hereof), which has been acquired by the Company since the execution and delivery by it of the Original Indenture, that part not situated in the State of California unto the Trustees and their successors and assigns, and that part situated in the State of California unto the Individual Trustee and his successors and assigns, to wit:

#### **PART I**

##### **Real Property in the State of Nevada**

The following described pieces, parcels or tracts of land, easements and rights and interests in and to land lying and being in the State of Nevada, together with all improvements of every description thereon situate or in any wise incident or appertaining thereto:

##### **DOUGLAS COUNTY**

(1) The following described property situate in Douglas County, Nevada, which Douglas County Sewer Improvement District No. 1 conveyed to Sierra Pacific Power Company by deed dated January 28, 1976 and recorded in Official Records of Douglas County, Nevada, February 2, 1976 in Book 276, Page 040, File #87053.

All that real property situate in the County of Douglas, State of Nevada, being a portion of Section 23, T13N R18E MDB&M, described as follows:

A parcel of land lying within the Southwest corner of the lands of Douglas County Sewer Improvement District No. 1, (Northeast one-

quarter of the Northwest one-quarter of said Section 23), as said lands are described in that certain Final Order of Condemnation, recorded January 8, 1970, in Book 72, Page 470, Document No. 46773, Official Records of Douglas County, Nevada, more particularly described as follows, to-wit:

Commencing at the southwest corner of the Northeast one-quarter of the Northwest one-quarter (NE $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 23, T13N R18E MDB&M;

Thence easterly along the southerly boundary line of the Northeast one-quarter of the Northwest one-quarter (NE $\frac{1}{4}$  NW $\frac{1}{4}$ ) of said Section 23, South 87° 56' 25" East, a distance of 150.0 feet to the true point of beginning;

Thence North, a distance of 508.98 feet to a point;

Thence South 89° 57' 29" East, a distance of 586.01 feet to a point;

Thence South 00° 00' 31" West, a distance of 530.46 feet to the southerly boundary line of the Northeast one-quarter of the Northwest one-quarter (NE $\frac{1}{4}$  NW $\frac{1}{4}$ ) of said Section 23;

Thence westerly along the southerly boundary of said lands, North 87° 56' 25" West, a distance of 586.31 feet to the point of beginning.

Containing 6.99 acres of land, more or less.

#### HUMBOLDT COUNTY

(1) The following described property situate in Humboldt County, Nevada, which Malcolm McLean and Marguerite A. McLean conveyed to Sierra Pacific Power Company by deed dated September 5, 1975 and recorded in Official Records of Humboldt County, Nevada, July 14, 1976 in Book 93, Page 6, Frame 1, File #173681.

The Southeast one-quarter (SE $\frac{1}{4}$ ) of Section 32, T35N R43E, MDB&M.

#### LANDER COUNTY

(1) The following described property situate in Lander County, Nevada, which Charles M. Aanonsen, Jr. conveyed to Sierra Pacific Power Company by deed dated January 15, 1976 and recorded in Official Records of Lander County, Nevada, February 27, 1976 in Book 137, Page 421, File #082572.



All that certain parcel of land situate in Section 30, T26N R43E MDB&M, Lander County, Nevada described as follows:

The North one-half of the Northwest one-quarter of the Northwest one-quarter of the Northeast one-quarter of the Northeast one-quarter (N $\frac{1}{4}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ ) of said Section 30. Containing 1.25 acres.

Also an easement for one or more electric power lines, said easement being 40.0 feet in width lying 20.0 feet on each side of the following described center line:

Beginning at a point on the East line of said Section 30, T26N R43E from which point the northeast corner of said Section 30 bears northerly 40.0 feet;

Thence westerly 990.0 feet, more or less, 40.0 feet southerly of and parallel to the North line of said Section 30, to a point on the East line of the above described parcel of land.

#### WASHOE COUNTY

(1) The following described property situate in Washoe County, Nevada, which H. M. Byars Construction Company conveyed to Sierra Pacific Power Company by deed dated May 12, 1976 and recorded in Official Records of Washoe County, Nevada, May 14, 1976 in Book 973, Page 770, File #408442.

##### PARCEL #1

Parcels 1 and 3 as shown on parcel map #249, recorded at the request of H. M. Byars Construction Company, on April 19, 1976, Records File #404625.

##### PARCEL #2

Commencing at the East one-quarter corner of Section 7, T19N R20E MDB&M;

Thence North 89° 28' 30" West 239.86 feet;

Thence South 26° 51' 30" West 33.78 feet to the southerly right of way line of Glendale Avenue;



Thence along the southerly right of way line of Glendale Avenue North  $89^{\circ} 38' 30''$  West 1359.46 feet to the northwest corner of the parcel described in Book 210, File #160447, Washoe County Deed Records, the true point of beginning;

Thence along the westerly line of said parcel South  $22^{\circ} 51' 18''$  West 36.92 feet;

Thence along the southwesterly line of said parcel South  $45^{\circ} 14' 03''$  East 33.77 feet;

Thence North  $00^{\circ} 21' 30''$  East 57.74 feet to the aforesaid southerly right of way line of Glendale Avenue;

Thence along the southerly right of way line of Glendale Avenue, North  $89^{\circ} 38' 30''$  West 10.0 feet to the true point of beginning.

(2) The following described property situate in Washoe County, Nevada, which William P. Lear conveyed to Sierra Pacific Power Company by deed dated May 3, 1977 and recorded in Official Records of Washoe County, Nevada, May 23, 1977 in Book 1084, Page 433, File #466206.

**PARCEL #1**

A portion of Parcel C of Parcel Map 222, filed for record January 13, 1976, and a strip of land adjoining said Parcel C on the South more particularly described as being within the Southeast quarter of Section 31, T21N R19E MDB&M, Washoe County, Nevada as follows:

Commencing at a surveyors monument denoting the point of intersection of the West boundary of the J. C. Penney Company land at Stead Facility and the North boundary of Washoe County Golf Course which is coincident with the Township line between Townships 20 and 21 North, as shown on Record of Survey for J. C. Penney Company, filed December 31, 1974, Survey No. 882;

Thence departing said Township line in a North direction along the West boundary line of the J. C. Penney land a distance of 420.2 feet to the true point of beginning;

Thence from said true point of beginning and departing said West boundary line a West direction a distance of 200.0 feet;

Thence North 250.0 feet;

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Thence East 200.0 feet to a point in the aforescribed West boundary line of J. C. Penney land;

Thence along said West boundary line in a South direction, a distance of 250.0 feet to the true point of beginning.

**PARCEL #2**

Together with an easement for access purposes, 25.0 feet in width lying westerly and northerly of the following described lines:

Beginning at the northeast corner of the above described parcel;

Thence North 293.04 feet;

Thence on a curve to the right with a radius of 1010.37 feet, through a central angle of  $16^{\circ} 13' 38''$  East, an arc length of 286.16 feet;

Thence North  $16^{\circ} 13' 38''$  East 1,118.86 feet to a point on the South line of proposed Lear Boulevard;

Thence along said South line of proposed Lear Boulevard South  $88^{\circ} 04' 08''$  East 2024.77 feet, more or less, to a point on the West line of Stead Boulevard.

**PART II.**

**All Other Property.**

Whether the same has or has not been specifically described or referred to elsewhere in the Indenture, and provided the same is not therein or herein elsewhere expressly excepted: all the corporate and other franchises owned by the Company, and all permits, ordinances, easements, privileges, immunities, patents and licenses, all rights to construct, maintain and operate overhead and underground systems for the distribution and transmission of electric current, gas, water, steam heat or other agencies for the supplying to itself and to others of light, heat, power and water, all rights of way and all grants and consents and all leases and leasehold interests whatsoever (not therein or herein specifically excepted) whether the same or any of the same are now owned or hereafter acquired by the Company; also all other property, real, personal and mixed, now owned or hereafter acquired by Company, including (but not limited to) all its properties situated in the Cities of Reno, Sparks, Carson City, Yerington, Lovelock and Battle Mountain, in the Counties of Carson City, Churchill, Douglas, Esmeralda,

Eureka, Humboldt, Lander, Lyon, Mineral, Nye, Pershing, Storey, Washoe and White Pine, in the State of Nevada, and also in the Counties of Alpine, El Dorado, Mono, Nevada, Placer, Plumas and Sierra in the State of California and wheresoever situated (not therein or herein specifically excepted), including (without in any wise limiting or impairing by the enumeration of the same, the generality, scope and intent of the foregoing or of any general description contained in the Original Indenture, as heretofore supplemented and modified and hereby supplemented and modified), all lands, rights of way, water and riparian rights and all interests therein, dams and dam sites, gas and electric light, heat and power plants and systems, water and/or water-works plants and systems, plants, manufactories, power houses, substations, garages, sheds, warehouses, repair shops, storage houses, buildings, tunnels, bridges, distribution and transmission lines, pipe lines, conduits, towers, poles, wires, cables and all other structures, machinery, engines, boilers, dynamos, electric machines, regulators, meters, transformers, generators, motors, electric and mechanical appliances, and other equipment of every description; and also all accessions, additions, alterations, improvements, betterments, developments, extensions and enlargements hereafter made, constructed or acquired by the Company to, of or upon any or all of the properties, equipment, systems and/or plants, and/or property used thereby or useful therefor or incidental thereto or connected therewith; and the reversions, reservations and remainders and all the estate, right, title, interest, possession, claim and demand of every nature and description whatsoever of the Company, as well at law as in equity, of, in and to the same and every part and parcel thereof.

### PART III.

#### Income.

All tolls, revenues, earnings, income, rents, issues and profits of all property, real and personal, tangible and intangible, which are now or hereafter shall be or be required to be made subject to the lien of the Indenture, or pledged thereunder.

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**PART IV.****Properties Excepted.**

There is, however, expressly excepted and excluded from the lien and operation of the Indenture:

(A) All property excepted or excluded or intended to be excepted or excluded by the Granting Clauses of the Original Indenture as heretofore supplemented and modified and as hereby supplemented and modified, subject to the provisions of § 5.17 of the Original Indenture, provided, however, that no properties necessary or appropriate for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying and/or disposing of electricity, water and/or gas shall be excepted from the lien of the Indenture, anything contained in Subdivision I of Part X of the Granting Clauses of the Original Indenture to the contrary notwithstanding; and

(B) All property released or otherwise disposed of pursuant to the provisions of Article 6 of the Original Indenture

(all herein sometimes for convenience collectively referred to as "excepted property").

TO HAVE AND TO HOLD all that part of the aforesaid property, rights privileges, franchises and immunities not situated in the State of California, whether now owned or hereafter acquired by the Company, unto the Trustees, and their respective successors and assigns in trust forever; and TO HAVE AND TO HOLD all that part of the aforesaid property, rights, privileges, franchises and immunities situated in the State of California, whether now owned or hereafter acquired by the Company, unto the Individual Trustee, and his successors and assigns in trust forever.

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited, any permitted liens, other than liens and encumbrances junior to the lien of the Indenture, as defined in § 1.01(y) of the Original Indenture, and to liens existing on any property hereafter acquired by the Company at the time of such acquisition or permitted by § 5.04 of the Original Indenture.

BUT IN TRUST, NEVERTHELESS, for the equal pro rata benefit, security and protection of all present and future holders of the Bonds issued and to be issued under and secured by the Indenture, and to secure the payment of

such Bonds and the interest thereon, in accordance with the provisions of said Bonds and of the Indenture, without any discrimination, preference, priority or distinction as to lien or otherwise of any Bond over any other Bond, except insofar as any sinking fund established in accordance with the provisions of the Indenture may afford additional security for the Bonds of any one or more series and except as provided in § 10.29 of the Original Indenture, so that the principal and interest of every such Bond shall be equally and ratably secured by the Indenture, as if all said Bonds had been issued, sold and delivered for value simultaneously with the execution of the Original Indenture and to secure the performance of and the compliance with the covenants and conditions of said Bonds and of the Indenture, and upon the trusts and for the uses and purposes and subject to the covenants, agreements, provisions and conditions hereinafter set forth and declared; it being hereby agreed as follows, to wit:

#### ARTICLE 1.

##### Description of Bonds of the 2007 Series.

§ 1.01. *Establishment of Bonds of the 2007 Series.* There shall be and hereby is established a new series of Bonds to be issued under and secured by the Indenture and to be designated as the Company's "First Mortgage Bonds, 8½% Series Q due 2007" (herein sometimes referred to as "Bonds of the 2007 Series").

§ 1.02. *Terms of Bonds of the 2007 Series.* The Bonds of the 2007 Series shall be issued only as registered Bonds without coupons of the denomination of \$1,000 or any multiple thereof, numbered Q1 upwards. August 1, 1977 shall be the date of the commencement of the first interest period for Bonds of the 2007 Series. All Bonds of the 2007 Series shall mature August 1, 2007 and shall bear interest at the rate of 8½% per annum until the payment of the principal thereof, such interest to be payable semi-annually on February 1 and August 1 in each year commencing February 1, 1978. The principal of and premium, if any, and interest on the Bonds of the 2007 Series will be paid in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts and will be payable at the principal corporate trust office in the City of Boston, Massachusetts, of the Trustee. Interest on Bonds of the 2007 Series will be payable to the holder of record on the record date as hereinbelow defined; provided, however, that interest on the Bonds of the

2007 Series may be paid by checks payable to the order of the respective holders entitled thereto and mailed to such holders at their respective registered addresses as shown on the Bond register for the Bonds of the 2007 Series.

The signatures of any officer or officers of the Company executing any Bond of the 2007 Series or attesting the corporate seal thereon may be facsimiles, engraved or printed.

The definitive Bonds of the 2007 Series may be issued in the form of Bonds engraved, printed or lithographed on steel engraved borders.

The person in whose name any Bond of the 2007 Series is registered at the close of business on any record date (as hereinbelow defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond of the 2007 Series upon any transfer or exchange thereof (including any exchange effected as an incident to a partial redemption thereof) subsequent to the record date and prior to such interest payment date, except that, if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then the registered holders of Bonds of the 2007 Series on such record date shall have no further right to or claim in respect of such defaulted interest as such registered holders on such record date, and the persons entitled to receive payment of any defaulted interest thereafter payable or paid on any Bonds of the 2007 Series shall be the registered holders of such Bonds of the 2007 Series on the record date for payment of such defaulted interest. The term "record date" as used in this § 1.02, and in the form of the Bonds of the 2007 Series, with respect to any interest payment date applicable to the Bonds of the 2007 Series, shall mean the January 15 next preceding a February 1 interest payment date or the July 15 next preceding an August 1 interest payment date, as the case may be, or such record date established for defaulted interest as hereinafter provided.

In case of failure by the Company to pay any interest when due, the claim for such interest shall be deemed to have been transferred by transfer of any Bond of the 2007 Series registered on the Bond register for the Bonds of the 2007 Series and the Company, by not less than 10 days written notice to bondholders, may fix a subsequent record date, not more than 15 days prior to the date fixed for the payment of such interest, for determination of



holders entitled to payment of such interest. Such provision for establishment of a subsequent record date, however, shall in no way affect the right of bondholders or of the Trustee consequent on any default.

Every Bond of the 2007 Series shall be dated as provided in §2.08 of the Original Indenture as modified by §2.03 of the Twelfth Supplemental Indenture, except that, so long as there is no existing default in the payment of interest on the Bonds of the 2007 Series, all Bonds of the 2007 Series authenticated by the Trustee between the record date for any interest payment date and such interest payment date shall be dated such interest payment date and shall bear interest from such interest payment date; provided, however, that if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then any such Bond of the 2007 Series shall bear interest from the February 1 or August 1, as the case may be, to which interest has been paid, unless such interest payment date is February 1, 1978, in which case such Bond shall bear interest from August 1, 1977.

Any notice affecting or relating to the Bonds of the 2007 Series required or permitted to be given under the Indenture may be given by mailing the same by first class mail, postage prepaid, to the holders of record at the date of mailing at their respective addresses as the same appear on the Bond register for the Bonds of the 2007 Series. The certificate of the Trustee that such mailing has been effected shall be conclusive evidence of compliance with the requirements of this §1.02 and of §16.08 of the Original Indenture as modified by §2.07 of the Twelfth Supplemental Indenture, whether or not any holder receives such notice.

As permitted by the provisions of §2.06 of the Original Indenture and upon payment at the option of the Company of a sum sufficient to reimburse it for any stamp tax or other governmental charge as provided in said §2.06, Bonds of the 2007 Series may be exchanged for other registered Bonds of the 2007 Series of different authorized denominations of like aggregate principal amount. Notwithstanding the provisions of said §2.06, no further sum, other than the sum sufficient to reimburse the Company for such stamp taxes or other governmental charges, shall be required to be paid upon any exchange of Bonds of the 2007 Series or upon any transfer thereof.

Neither the Company nor the Trustee shall be required to make transfers or exchanges of Bonds of the 2007 Series for a period of 10 days



next preceding any designation of Bonds of the 2007 Series to be redeemed, and neither the Company nor the Trustee shall be required to make transfers or exchanges of any Bonds designated in whole for redemption or that part of any Bond designated in part for redemption.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the Registrar and Transfer Agent of the Company for the purpose of registering and transferring Bonds of the 2007 Series, and shall maintain a Bond register for the Bonds of the 2007 Series.

§1.03. *Redemption Provisions for Bonds of the 2007 Series.* The Bonds of the 2007 Series shall be subject to redemption prior to maturity as a whole at any time or in part from time to time,

(a) at the option of the Company upon payment of the applicable percentage of the called principal amount thereof during the respective periods set forth under the heading "Regular Redemption Price" in the tabulation in the form of the Bonds of the 2007 Series set forth in §1.06 of this Eighteenth Supplemental Indenture; provided, however, that no such redemption shall be made prior to August 1, 1982 (except in connection with any consolidation or merger with any corporation other than an affiliate of the Company in which the Company shall not be the surviving corporation, or transfer or sale of all or substantially all of the property of the Company to any corporation other than an affiliate of the Company) directly or indirectly as a part of, or in anticipation of, the incurring of any indebtedness by the Company if such indebtedness has an effective interest rate or cost (computed in accordance with generally accepted financial practice) less than the effective interest rate or cost of the Bonds of the 2007 Series; and

(b) either (i) through operation of the sinking and improvement fund for the Bonds of the 2007 Series provided for in §1.04 of this Eighteenth Supplemental Indenture, or (ii) through the application of cash received by the Trustees if all or substantially all of the properties used by the Company in the conduct of certain classes of business thereof are sold, purchased or taken, as provided in §6.05 of the Original Indenture, upon payment of the applicable percentage of the called principal amount thereof during the respective periods set forth in said tabulation under the heading "Special Redemption Price";

together in any case with interest accrued on such principal amount to the date fixed for redemption, upon not less than thirty (30) days nor more than

ninety (90) days notice given as provided in Article 4 and §16.08 of the Original Indenture as respectively modified by §2.06 and §2.07 of the Twelfth Supplemental Indenture.

§ 1.04. *Sinking and Improvement Fund for Bonds of the 2007 Series.* As a sinking and improvement fund for the benefit of the Bonds of the 2007 Series, the Company covenants that it will, subject to the provisions hereinafter set forth in this Section, on or before July 31 in each year, beginning with the year 1979 and continuing to and including the year 2006, pay to the Trustee a sum equal to the lowest multiple of \$1,000 which exceeds (or is equal to) one and three-quarters per centum (1¾%) of the greatest aggregate principal amount of the Bonds of the 2007 Series theretofore outstanding at any one time prior to the June 15 next preceding such July 31, after deducting from said greatest aggregate principal amount the sum of the following (a) the aggregate principal amount of Bonds of the 2007 Series theretofore purchased or redeemed by the application of the proceeds of property released from the lien of the Indenture, sold, purchased or taken pursuant to the provisions of Article 6 of the Original Indenture, and (b) the aggregate principal amount of Bonds of the 2007 Series made the basis of the withdrawal of such proceeds pursuant to Article 7 of the Original Indenture.

The payments and the dates upon which payments are required for the sinking and improvement fund as above provided are in this § 1.04 referred to as "sinking fund payments" and "sinking fund payment dates", respectively.

The Company shall have the right, subject to conditions herein contained, to satisfy any sinking fund payment in whole or in part by

(a) delivering to the Trustee for the sinking and improvement fund on or prior to the sinking fund payment date Bonds of the 2007 Series theretofore issued and then outstanding;

(b) relinquishing, for the period during which any Bonds of the 2007 Series shall remain outstanding, upon compliance with the provisions set forth below in this § 1.04, the right to use for any purpose under the Indenture (i) a net amount of additional property established by additional property certificates filed with the Trustee pursuant to § 3.04 (B) of the Original Indenture, not theretofore funded, and equal to 10/6ths of a principal amount of Bonds issuable pursuant to said

§ 3.04 and/or (ii) Bonds retired as evidenced to the Trustee pursuant to § 3.05 (B) of the Original Indenture, and not theretofore funded, which net amount of additional property referred to in (i) above and the Bonds referred to in (ii) above shall thereupon become funded within the meaning of § 1.01 (cc) (6) of the Original Indenture, so long as any Bonds of the 2007 Series remain outstanding, provided that when no Bonds of the 2007 Series shall be outstanding all such relinquishment shall cease to be in effect and any net amount of additional property and Bonds which so become funded shall cease to be funded and shall be deemed to be not theretofore funded for any other use under the Indenture, notwithstanding any other provision contained in the Indenture;

(c) redeeming Bonds of the 2007 Series, not theretofore funded, within twelve months prior to the current sinking fund payment date at the Special Redemption Price provided for in § 1.03 of this Eighteenth Supplemental Indenture in anticipation of the current sinking fund payment; and

(d) redeeming Bonds of the 2007 Series, not theretofore funded, at any time at the Regular Redemption Price provided for in § 1.03 of this Eighteenth Supplemental Indenture in anticipation of future sinking fund payments.

Bonds of the 2007 Series delivered to the Trustee pursuant to Clause (a) above, Bonds of any series the right to the authentication and delivery of which is relinquished pursuant to Clause (b) above, and Bonds of the 2007 Series redeemed as provided in Clauses (c) and (d) above, shall be treated as a credit on account of any such sinking fund payment at the principal amount of such Bonds to the extent so used.

The Company shall file with the Trustee on or before the June 15 next preceding any sinking fund payment date a certificate of the Company setting forth the methods, if any, referred to in Clauses (a), (b), (c) and (d) above, by which the Company proposes to satisfy such sinking fund payment. Unless the Company files such a certificate on or before the time so required, the sinking fund payment shall be made entirely in cash, or, if the certificate so filed shows that such sinking fund payment is not to be satisfied in whole by one or more of the above methods enumerated in Clauses (a) to (d), inclusive, the balance of the sinking fund payment shall be made in cash.

All Bonds of the 2007 Series delivered to the Trustee and credited against any sinking fund payment for such series and all such Bonds redeemed by operation of, or the redemption of which has been made the basis of a credit against, and Bonds of any series the right to the authentication of which, and net amount of additional property the use of which, has been relinquished as a basis for a credit against, this sinking and improvement fund and credited against any sinking fund payment, shall be deemed to be thereupon funded, so long as any Bonds of the 2007 Series are outstanding.

Forthwith after the June 15 preceding each sinking fund payment date on which the Company will be required to make to the Trustee a payment in cash for the sinking and improvement fund, the Trustee shall proceed to select for redemption from the Bonds of the 2007 Series, in the manner provided in Article 4 of the Original Indenture as modified by § 2.05 of the Twelfth Supplemental Indenture, a principal amount of Bonds of the 2007 Series equal to the aggregate principal amount of Bonds redeemable with such cash payment and, in the name of the Company, shall give notice as required by the provisions of § 1.03 of this Eighteenth Supplemental Indenture of the redemption for the sinking and improvement fund on the then next ensuing August 1 of the Bonds so selected. On or before the sinking fund payment date next preceding such August 1, the Company shall pay to the Trustee the cash payment required by this Section, plus the amount of all premiums, if any, and interest accrued and payable on the Bonds to be redeemed by the application of such cash payment, and the money so paid shall be applied by the Trustee to the redemption of such Bonds. The Company shall also deliver to the Trustee with the filing of any certificate of the Company heretofore provided for in this Section, or not later than the next succeeding sinking fund payment date, any Bonds specified in said Clause (a) of this Section. In the event any credit is being taken pursuant to Clause (b) of this Section, the Trustee shall be furnished with the following:

(1) A statement of the Company by which it relinquishes, for the period during which any Bonds of the 2007 Series shall remain outstanding under the Indenture, the right to use for any purpose under the Indenture (i) a stated net amount of additional property, not theretofore funded, equal to 10/6ths of a stated principal amount of Bonds, and established by an additional property certificate or certi-

cates filed with the Trustee pursuant to § 3.04 (B) of the Original Indenture, and/or (ii) a stated principal amount of Bonds retired as evidenced to the Trustee pursuant to § 3.05 (B) of the Original Indenture, not theretofore funded. In establishing Bonds and/or a net amount of additional property for use pursuant to this § 1.04, the Company need not file any documents required by the provisions of § 3.02 of the Original Indenture, except as provided below. If the Company is acting under (i) and/or (ii) above, such statement shall set forth statements which would be required by Subdivision (a) of § 3.02 of the Original Indenture, in connection with an application for the authentication and delivery of Bonds pursuant thereto, subject to appropriate changes in language to show that the purpose is the relinquishment of the right to have authenticated a specified principal amount of Bonds in lieu of authentication.

(2) The documents and other things required to be furnished the Trustee by the provisions of § 3.04 (B) of the Original Indenture as modified by § 2.02 of the Fifteenth Supplemental Indenture and/or § 3.05 (B) of the Original Indenture (other than those required by § 3.02 of the Original Indenture) if any, not theretofore furnished.

(3) A resolution of the Board of Directors authorizing the relinquishment which is being effected by such statement.

The Company shall pay to the Trustee an amount equal to the interest and premium, if any, on the Bonds of the 2007 Series to be redeemed for this sinking and improvement fund as provided in this § 1.04 and upon request of the Trustee from time to time, will also pay to the Trustee an amount equal to the cost of giving notice of redemption of such Bonds of the 2007 Series and any other expense of operation of such fund, the intention being that such fund shall not be charged for interest, premium and such expenses.

§ 1.05. *Restrictions on Payment of Dividends on Common Stock.* Notwithstanding the provisions of § 1.07 of Article 1 of the Twelfth Supplemental Indenture that said Article 1 shall be in force and effect only so long as any of the Bonds of the 1997 Series are outstanding, the Company hereby covenants that the covenants made by the Company in § 1.05 of said Article 1 of said Twelfth Supplemental Indenture shall also continue so long as any Bonds of the 2007 Series shall remain outstanding.

§ 1.06. *Form of Bonds of the 2007 Series.* The Bonds of the 2007 Series and the Trustee's authentication certificate to be executed on the Bonds of said series shall be substantially in the forms following, respectively:

[FORM OF FACE OF BONDS OF 2007 SERIES]

No. Q

§

SIERRA PACIFIC POWER COMPANY  
Incorporated under the laws of the State of Nevada  
First Mortgage Bond, 8½% Series Q due 2007,  
Due August 1, 2007

SIERRA PACIFIC POWER COMPANY, a Nevada corporation (hereinafter sometimes called the "Company" which term shall include any successor corporation as defined in the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to

or registered assigns,

Dollars on August 1, 2007, and to pay interest thereon from August 1, 1977, or from the interest payment date next preceding the date of this bond, or from the date of this bond if it be an interest payment date, whichever date is the later, at the rate per annum specified in the title of this bond, semi-annually on the first day of February and on the first day of August in each year until payment of the principal hereof.

The interest so payable upon any February 1 or August 1 will, subject to certain exceptions described on the reverse hereof, be paid to the person in whose name this bond is registered at the close of business on the January 15 preceding such February 1 or the July 15 preceding such August 1, as the case may be.

The principal of and premium, if any, and interest on this bond will be paid in lawful money of the United States of America. Principal of, premium, if any, and interest on, this bond will be payable at the principal corporate trust office in the City of Boston, Massachusetts of the Trustee named on the reverse hereof; provided, however, that interest on this bond may be paid by check payable to the order of the registered holder entitled thereto and mailed to such holder at his address as shown on the bond register for the Bonds of the 2007 Series.

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This bond shall not become or be valid or obligatory for any purpose until the authentication certificate endorsed hereon shall have been signed by the Trustee.

The provisions of this bond are continued on the reverse hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, SIERRA PACIFIC POWER COMPANY has caused these presents to be executed in its name and behalf by the manual or facsimile signature of its President or one of its Vice Presidents and its corporate seal, or a facsimile thereof, to be hereunto affixed and attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries.

Dated:

SIERRA PACIFIC POWER COMPANY

By.....  
President.

Attest:

.....  
Secretary.

[ FORM OF REVERSE OF BOND OF THE 2007 SERIES ]

This bond is one of the bonds of a series (herein sometimes referred to as the "Bonds of the 2007 Series") of an authorized issue of bonds of the Company, known as First Mortgage Bonds, not limited as to maximum aggregate principal amount except as otherwise provided in the Indenture hereinafter mentioned, all issued or issuable in one or more series (which several series may be of different denominations, dates and tenor) under and equally secured (except insofar as a sinking fund established in accordance with the provisions of said Indenture may afford additional security for the bonds of any specific series) by an Indenture of Mortgage dated as of December 1, 1940, duly executed and delivered by the



Company's predecessor, Sierra Pacific Power Company, a Maine corporation, and duly assumed by the Company by means of the Tenth Supplemental Indenture hereinafter mentioned, to The New England Trust Company (now New England Merchants National Bank by succession, herein sometimes called the "Trustee"), and Leo W. Huegle (now James S. Fisher by succession), as Trustees, as supplemented and modified by the First Supplemental Indenture, dated as of August 1, 1947, by the Second Supplemental Indenture, dated as of April 1, 1948, by the Ninth Supplemental Indenture, dated as of June 1, 1964, by the Tenth Supplemental Indenture, dated as of March 31, 1965, by the Twelfth Supplemental Indenture, dated as of July 1, 1967, by the Fourteenth Supplemental Indenture, dated as of November 1, 1972, by the Fifteenth Supplemental Indenture, dated as of May 1, 1974, by the Seventeenth Supplemental Indenture, dated as of July 1, 1976, and by the Eighteenth Supplemental Indenture, dated as of August 1, 1977, and as supplemented by all other indentures supplemental thereto, executed and delivered by the Company (or executed and delivered by its predecessor and duly assumed by the Company) to said Trustees, to which Indenture of Mortgage and all indentures supplemental thereto (herein sometimes collectively called the "Indenture") reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the rights and remedies and limitations on such rights and remedies of the registered owner of this bond in regard thereto, the terms and conditions upon which said bonds are secured thereby, the terms and conditions upon which additional bonds and coupons may be issued thereunder and the rights, immunities and obligations of the Trustees under said Indenture; but neither the foregoing reference to said Indenture, nor any provision of this bond or of said Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay at the maturity herein provided the principal of and premium, if any, and interest on this bond as herein provided.

Said Indenture, among other things, provides that no bondholder or bondholders may institute any suit, action or proceeding for the collection of this bond, or claim for interest thereon, or to enforce the lien of said Indenture, if and to the extent that the institution or prosecution thereof or the entry of a judgment or a decree therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of said Indenture upon any property subject thereto.

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The Bonds of the 2007 Series are subject to redemption prior to maturity as a whole at any time, or in part from time to time, (a) at the option of the Company upon payment of the applicable percentage of the called principal amount thereof during the respective periods set forth in the tabulation below under the heading "Regular Redemption Price" (provided, however, that such right of redemption prior to August 1, 1982 shall be limited as provided in said Eighteenth Supplemental Indenture); and (b) by operation of the sinking and improvement fund provided for in the Eighteenth Supplemental Indenture, and (in the instances provided in the Indenture) by application of cash received by the Trustees if all or substantially all of the properties used by the Company in the conduct of certain classes of business thereof are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency, upon payment of the applicable percentage of the called principal amount thereof during the respective periods set forth in the tabulation below under the heading "Special Redemption Price":

12 Months' Period Beginning August 1	Regular Redemption Price %	Special Redemption Price %	12 Months' Period Beginning August 1	Regular Redemption Price %	Special Redemption Price %
1977.....	109.98	101.34	1992.....	104.82	101.05
1978.....	109.64	101.34	1993.....	104.48	101.02
1979.....	109.29	101.33	1994.....	104.13	100.98
1980.....	108.95	101.32	1995.....	103.79	100.93
1981.....	108.60	101.31	1996.....	103.44	100.89
1982.....	108.26	101.29	1997.....	103.10	100.84
1983.....	107.92	101.28	1998.....	102.76	100.78
1984.....	107.57	101.26	1999.....	102.41	100.72
1985.....	107.23	101.24	2000.....	102.07	100.65
1986.....	106.88	101.22	2001.....	101.72	100.58
1987.....	106.54	101.20	2002.....	101.38	100.51
1988.....	106.20	101.17	2003.....	101.04	100.42
1989.....	105.85	101.15	2004.....	100.69	100.33
1990.....	105.51	101.12	2005.....	100.35	100.23
1991.....	105.16	101.09	2006.....	100.00	100.00

together in any case with interest accrued on said principal amount to the date fixed for redemption; upon prior notice given by first class mail, postage

prepaid, to the holder of record of each bond affected not less than thirty (30) days nor more than ninety (90) days prior to the redemption date and subject to all other conditions and provisions of the Indenture.

If this bond or any portion thereof (One Thousand Dollars or any multiple thereof) is duly designated for redemption, if payment of the principal hereof or of such portion with accrued interest and premium, if any, is provided for, and if notice of such redemption shall have been duly given, provided for or waived, all as specified in the Indenture, this bond or such portion shall cease to be entitled to the lien of the Indenture from and after the date such payment and notice are irrevocably so provided for and shall cease to bear interest from and after the date fixed for redemption.

In the event of the selection for redemption of a portion only of the principal of this bond, payment of the redemption price will be made only (a) upon presentation of this bond for notation hereon of such payment of the portion of the principal of this bond so called for redemption, or (b) upon surrender of this bond in exchange for a bond or bonds (of authorized denominations of the same series) for the unredeemed balance of the principal amount of this bond. In the event of the redemption of this bond in whole, payment of the redemption price will be made only upon surrender of this bond.

The bonds of this series are entitled to the benefit of the sinking and improvement fund for bonds of this series provided for in said Eighteenth Supplemental Indenture.

To the extent permitted and as provided in said Indenture, modifications or alterations of said Indenture, or of any indenture supplemental thereto, and of the bonds issued thereunder and of the rights and obligations of the Company and the rights of the bearers or registered owners of the bonds and coupons, if any, may be made with the consent of the Company and with the written approvals or consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the bonds outstanding, and unless all of the bonds then outstanding under said Indenture are affected in the same manner and to the same extent by such modification or alteration, with the written approvals or consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the bonds of each series outstanding, provided, however, that no such alteration or modification shall, without the written

approval or consent of the bearer or registered owner of any bond affected thereby, (a) impair or affect the right of such bearer or registered owner to receive payment of the principal of and interest on such bond, on or after the respective due dates expressed in such bond, or to institute suit for the enforcement of any such payment on or after such respective dates, except that the holders of not less than seventy-five per centum (75%) in principal amount of the bonds outstanding may consent on behalf of the bearers or registered owners of all of the bonds to the postponement of any interest payment for a period of not exceeding three (3) years from its due date, or (b) deprive any bearer or registered owner of the bonds of a lien on the mortgaged and pledged property, or (c) reduce the percentage of the principal amount of the bonds upon the consent of which modifications may be effected as aforesaid.

The Company and the Trustee and any paying agent may deem and treat the person in whose name this bond shall be registered upon the bond register for the Bonds of the 2007 Series as the absolute owner of such bond for the purpose of receiving payment of or on account of the principal of and interest on this bond and for all other purposes, whether or not this bond be overdue, and neither the Company nor the Trustee nor any paying agent shall be affected by any notice to the contrary; and all such payments so made to such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid.

This bond is transferable by the registered owner hereof in person or by his duly authorized attorney, at the principal corporate trust office in Boston, Massachusetts of the Trustee, upon surrender of this bond for cancellation and upon payment, if the Company shall so require, of a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident thereto, and thereupon a new registered bond of the same series of like principal amount will be issued to the transferee in exchange therefor.

The registered owner of this bond at his option may surrender the same for cancellation at said office and receive in exchange therefor the same aggregate principal amount of registered bonds of the same series but of other authorized denominations upon payment, if the Company shall so require, of a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident thereto, and subject to the terms and conditions set forth in the Indenture.

Neither the Company nor the Trustee shall be required to make transfers or exchanges of bonds of this series for a period of ten days next preceding any designation of bonds of said series to be redeemed, and neither the Company nor the Trustee shall be required to make transfers or exchanges of any bonds designated in whole for redemption or that part of any bond designated in part for redemption. Subject to the provisions of the Eighteenth Supplemental Indenture, if this bond is surrendered for any transfer or exchange between the record date for any regular interest payment date and such interest payment date, the new bond will be dated such interest payment date, and the Eighteenth Supplemental Indenture provides that in the event of any default in payment of the interest due on such payment date, such interest shall not be payable to the holder of the bond on the original record date but shall be paid to the registered holder of such bond on the subsequent record date established for payment of such defaulted interest.

In case an event of default as defined in said Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in said Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and under the conditions provided in said Indenture, waive defaults thereunder and the consequences of such defaults.

In case all or substantially all of the electric properties of the Company are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency, the principal of this bond will, upon receipt by the Company of payment or compensation, become due and payable before maturity at the principal amount thereof and accrued interest thereon, all as provided in said Indenture.

It is part of the contract herein contained that each registered owner hereof by the acceptance hereof waives all right of recourse to any personal liability of any incorporator, stockholder, officer or director, past, present or future, of the Company, as such, or of any predecessor or successor corporation, howsoever arising, for the collection of any indebtedness hereunder; and as a part of the consideration for the issue hereof releases from all such liability each such incorporator, stockholder, officer or director, all as provided in said Indenture.

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## [FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE]

This bond is one of the bonds of the series designated therein, referred to in the within-mentioned Indenture.

NEW ENGLAND MERCHANTS NATIONAL BANK,  
Corporate Trustee

By.....  
*Authorized Signer.*

§ 1.07. *Duration of Effectiveness of Article 1.* This Article shall be in force and effect only so long as any of the Bonds of the 2007 Series are outstanding.

## ARTICLE 2.

Correction and Modification of Certain  
Provisions of the Indenture.

§2.01. In order to cure an ambiguity and to correct a provision which is defective and inconsistent in §1.03 of the Fifteenth Supplemental Indenture dated as of May 1, 1974, as permitted by §16.01 (g) of the Original Indenture, said §1.03 is hereby corrected by striking out the words "upon payment of the called principal amount thereof (the 'Special Redemption Price')" where they appear in clause (b) and substituting in place thereof the words "upon payment of the applicable percentage of the called principal amount thereof during the respective periods set forth in said tabulation under the heading 'Special Redemption Price'".

§2.02. Article 13 of the Original Indenture is hereby modified by deleting in its entirety §13.04.

§2.03. The correction of the Fifteenth Supplemental Indenture set forth in §2.01 of this Article 2 shall become effective forthwith upon the execution and delivery of this Eighteenth Supplemental Indenture. The modification of the Original Indenture set forth in §2.02 of this Article 2 shall become effective without any approval or consent of the holders of any Bonds of the 2007 Series or of any series of Bonds issued after the date of this Eighteenth Supplemental Indenture only (a) when all Bonds of the 1978 Series, all



Bonds of the 1984 Series, all Bonds of the 1986 Series, all Bonds of the 1988 Series, all Bonds of the 1991 Series, all Bonds of the 1992 Series, all Bonds of the 1994 Series, all Bonds of the 1995 Series, all Bonds of the 1997 Series, all Bonds of the 2000 Series, all Bonds of the 2002 Series, all Bonds of the 2004 Series, all Bonds of the 2011 Series, and all Bonds of Series P due 2006 have ceased to be outstanding or (b) when a supplemental indenture for the purpose of making such modification effective shall have been executed by the Company and the Trustees with the consent of the holders of not less than seventy-five percentum (75%) in principal amount of the Bonds at the time outstanding (excluding the Bonds of the 2007 Series and each series of Bonds issued after the date of this Eighteenth Supplemental Indenture) or their attorney-in-fact duly authorized and otherwise in compliance with Article 12 of the Original Indenture.

### ARTICLE 3.

#### Principal Amount of Bonds Presently to be Outstanding.

§3.01. The total aggregate principal amount of First Mortgage Bonds of the Company issued and outstanding and presently to be issued and outstanding under the provisions of and secured by the Indenture will be One Hundred Fifty-five Million Five Hundred Eighty-nine Thousand Dollars (\$155,589,000), namely Three Million Five Hundred Thousand Dollars (\$3,500,000) principal amount of First Mortgage Bonds, 3¼% Series due 1978, now issued and outstanding, Four Million Dollars (\$4,000,000) principal amount of First Mortgage Bonds, 3¾% Series due 1984, now issued and outstanding, Three Million Dollars (\$3,000,000) principal amount of First Mortgage Bonds, 5¼% Series due 1986, now issued and outstanding, Three Million Dollars (\$3,000,000) principal amount of First Mortgage Bonds, 4½% Series due 1988, now issued and outstanding, Six Million Five Hundred Thousand Dollars (\$6,500,000) principal amount of First Mortgage Bonds, 5% Series due 1991, now issued and outstanding, Five Million Dollars (\$5,000,000) principal amount of First Mortgage Bonds, 4¾% Series due 1992, now issued and outstanding, Seven Million Dollars (\$7,000,000) principal amount of First Mortgage Bonds, 4¼% Series due 1994, now issued and outstanding, Ten Million Dollars (\$10,000,000) principal amount of First Mortgage Bonds, 5% Series due 1995, now issued and outstanding, Fifteen Million Dollars (\$15,000,000) principal amount of First Mortgage Bonds, 6¼% Series due 1997, now

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issued and outstanding, Twenty Million Dollars (\$20,000,000) principal amount of First Mortgage Bonds, 8¼% Series due 2002, now issued and outstanding, Thirty Million Dollars (\$30,000,000) principal amount of First Mortgage Bonds, 9¼% Series due 2004, now issued and outstanding, Three Million Five Hundred Eighty-Nine Thousand Dollars (\$3,589,000) principal amount of First Mortgage Bonds, 2% Series due 2011, now issued and outstanding, Ten Million Dollars (\$10,000,000) principal amount of First Mortgage Bonds, 7¼% Series P due 2006, now issued and outstanding, and Thirty-five Million Dollars (\$35,000,000) principal amount of First Mortgage Bonds, 8¼% Series Q due 2007 established by resolution of the Board of Directors and to be issued upon compliance by the Company with the provisions of Article 3 of the Original Indenture. There are not included above Fifteen Million Dollars (\$15,000,000) principal amount of First Mortgage Bonds, 9¼% Series due 2000, which are to be refunded by First Mortgage Bonds, 8¼% Series Q due 2007.

#### ARTICLE 4.

##### Miscellaneous.

§4.01. This instrument is executed and shall be construed as an indenture supplemental to the Original Indenture, as heretofore supplemented and modified, and shall form a part thereof, and, except as hereby modified, the Original Indenture as so supplemented and modified is hereby confirmed. All terms used in this Eighteenth Supplemental Indenture shall be taken to have the same meaning as in the Original Indenture, as heretofore supplemented and modified, except in cases where the context clearly indicates otherwise.

§4.02. All recitals in this Supplemental Indenture are made by the Company only and not by the Trustees; and all of the provisions contained in the Original Indenture, as heretofore supplemented and modified, in respect of the rights, privileges, immunities, powers and duties of the Trustees shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

§4.03. Although this Supplemental Indenture is dated for convenience and for the purpose of reference as of August 1, 1977 the actual date or dates of execution by the Company and the Trustees are as indicated by their respective acknowledgements hereto annexed.

§ 4.04. In order to facilitate the recording or filing of this Supplemental Indenture, the same may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

§ 4.05. The Company hereby acknowledges receipt from the Trustees of a full, true and complete copy of this Supplemental Indenture.

IN WITNESS WHEREOF, SIERRA PACIFIC POWER COMPANY has caused this Eighteenth Supplemental Indenture to be signed in its corporate name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries; and New England Merchants National Bank in token of its acceptance of the trust hereby created has caused this Eighteenth Supplemental Indenture to be signed in its corporate name and behalf, and its corporate seal to be hereunto affixed, by its President or one of its Vice Presidents or Trust Officers, and its corporate seal to be attested by one of its Authorized Signers; and James S. Fisher in token of his acceptance of the trust hereby created has hereunto set his hand and seal, all as of the day and year first above written.

SIERRA PACIFIC POWER COMPANY

By T. L. M. Gellman  
Vice President.

Attest: R. G. Pollerchi  
Assistant Secretary.

(CORPORATE SEAL)


Signed, sealed and delivered on behalf of SIERRA  
PACIFIC POWER COMPANY, in the presence of:

Camara Reed

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By E. Leroy Baurbaum  
Trust Officer.

*Authorized Signer.*

Signed, sealed and delivered on behalf of NEW  
ENGLAND MERCHANTS NATIONAL BANK in the  
presence of: 

presence of:  
Daniel T. Feeney

*James S. Fisher*  
JAMES S. FISHER

Signed, sealed and delivered by JAMES S. FISHER  
in the presence of:

Daniel T. Freeman

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

On this 19th day of August, A. D., 1977, (i) personally appeared before me, a Notary Public in and for the County of New York, R. G. PELLECCIA, known to me to be an Assistant Secretary of Sierra Pacific Power Company, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said corporation, and that the said seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the corporation executed the said instrument freely and voluntarily and for the purposes and uses therein named; and (ii) also before me personally appeared H. J. MCKIBBEN and the same R. G. PELLECCIA to me personally known, who being by me duly sworn did say that they are a Vice President and an Assistant Secretary, respectively, of Sierra Pacific Power Company, and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, and acknowledged that the foregoing instrument was executed by them on behalf of said Corporation by authority of the Directors, and the said H. J. MCKIBBEN and R. G. PELLECCIA also acknowledged the said instrument to be the free act and deed of said Corporation.

(NOTARIAL SEAL)

*Patricia A. Grimaldi*

PATRICIA A. GRIMALDI  
Notary Public, State of New York  
No. 24-4610425  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires March 30, 1979

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COMMONWEALTH OF MASSACHUSETTS, } ss.:  
COUNTY OF SUFFOLK, }

On this 19th day of August, A. D., 1977, (i) personally appeared before me, a Notary Public in and for the County of Suffolk, E. SEAVEY BOWDOIN, JR., known to me to be a Trust Officer of New England Merchants National Bank, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said corporation, and that the said seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the corporation executed the said instrument freely and voluntarily and for the purposes and uses therein named; and (ii) also before me appeared D. A. DRAIN and the same E. SEAVEY BOWDOIN, JR., to me personally known, who being by me duly sworn did say that they are a person authorized to sign on behalf of and a Trust Officer, respectively, of New England Merchants National Bank, and that the seal affixed to the foregoing instrument is the corporate seal of said Bank, and that the foregoing instrument was signed and sealed by them on behalf of said Bank by authority of its Board of Directors, and the said D. A. DRAIN and E. SEAVEY BOWDOIN, JR. acknowledged said instrument to be the free act and deed of said Bank.

*Richard E. Pitts*

Notary Public My Commission Expires, June 13, 1980  
My commission expires RICHARD E. PITTS  
(NOTARIAL SEAL)

COMMONWEALTH OF MASSACHUSETTS, } ss.:  
COUNTY OF SUFFOLK

On this 19th day of August, A. D., 1977, (i) personally appeared before me, a Notary Public in and for the County of Suffolk, JAMES S. FISHER, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned; and (ii) also before me appeared the same JAMES S. FISHER, to me personally known, who being by me duly sworn did say that the foregoing instrument was signed by him as his free act and deed.

*Virginia F. Brady*  
Notary Public

My commission expires

VIRGINIA F. BRADY (NOTARIAL SEAL)  
NOTARY PUBLIC  
My Commission Expires July 7, 1983

RECORDED AT THE REQUEST OF *Sierra Pacific Power Co.*  
on *August 22*, 19 *77*, at *15* mins. past *11* A.M. in  
Book *60* of OFFICIAL RECORDS, page *312-346*, RECORDS OF  
EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder  
File No. *63410* Fee \$ *37.00*

63410

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