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Sierra Pacific Power Company  
6100 Neil Road  
P. O. Box 10100  
Reno, NV 89520-0026

128811

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SIERRA PACIFIC POWER COMPANY  
TO  
BANK OF NEW ENGLAND, NATIONAL ASSOCIATION  
(successor to The New England Trust Company)  
AND  
GERALD R. WHEELER,  
AS TRUSTEES

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TWENTY-SEVENTH SUPPLEMENTAL INDENTURE

Dated as of August 1, 1989

Supplementing 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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OFFICIAL RECORDS  
SHERIFF'S OFFICE  
SHERIFF  
FILE NO. 128/11 FEE \$47.00

RECORDED AT THE REQUEST OF  
BOOK 200 PAGE 243  
Sierra Pacific Power Co.  
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THIS TWENTY-SEVENTH SUPPLEMENTAL INDENTURE dated as of August 1, 1989 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 89520 and address of its chief place of business is 6100 Neil Road, Reno, Nevada, party of the first part, and BANK OF NEW ENGLAND, NATIONAL ASSOCIATION (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 28 State Street, Boston, Massachusetts, as Trustee and Secured Party (its IRS employer identification number being 04-2274939) and GERALD R. WHEELER, as Co-Trustee and Secured Party (whose Social Security number is 032-32-5916 and whose residence address is 37 Cleveland Road, Waltham, Massachusetts), the mailing address of each of whom is 28 State Street, Boston, Massachusetts 02109 (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, Bank of New England, National Association 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, 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 the change of the name of said New England Merchants National Bank to Bank of New England, National Association as of May 1, 1982; 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

WHEREAS, on September 27, 1985, James S. Fisher 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 Gerald R. Wheeler as successor Co-Trustee thereunder, and Gerald R. Wheeler 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, 1951, 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

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, a Seventeenth Supplemental Indenture dated as of July 1, 1976, a Eighteenth Supplemental Indenture dated as of August 1, 1977, a Twenty-first Supplemental Indenture dated as of August 1, 1979, a Twenty-second Supplemental Indenture dated as of October 1, 1980, a Twenty-third Supplemental Indenture dated as of May 1, 1981, a Twenty-fourth Supplemental Indenture dated as of September 1, 1982, a Twenty-fifth Supplemental Indenture dated as of July 1, 1986 and a Twenty-sixth Supplemental Indenture dated as of August 1, 1988, 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 executed and delivered to the Trustees a Nineteenth Supplemental Indenture dated as of April 1, 1978 and a Twentieth Supplemental Indenture dated as of October 1, 1978, each modifying the Original Indenture, 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>
5 % Bonds of 1991 Series	6,500,000.00
4 7/8% Bonds of 1992 Series	5,000,000.00
4 3/4% Bonds of 1994 Series	7,000,000.00
5 % Bonds of 1995 Series	10,000,000.00
6 1/2% Bonds of 1997 Series	15,000,000.00
8 1/4% Bonds of 2002 Series	20,000,000.00
9 7/8% Bonds of 2004 Series	30,000,000.00
2 % Bonds of 2011 Series	2,651,979.13*
7 7/8% Bonds of Series P due 2006	10,000,000.00
8 5/8% Bonds of Series Q due 2007	35,000,000.00
6.80 % Bonds of Series R due 2009	30,000,000.00
12 1/2% Bonds of Series U due 2012	11,600,000.00
12 1/4% Bonds of Series V due 2012	1,000,000.00
9 3/4% Bonds of Series W due 2016	43,000,000.00
10 1/8% Bonds of Series X due 2018	70,000,000.00

WHEREAS, the Board of Directors of the Company has established under said Original Indenture, as supplemented and modified, two new series of Bonds to be designated, respectively, First Mortgage Bonds, 5% Series Y due 2024, to be due thirty-five (35) years after the date of initial authentication of the Bonds of said Series (hereinafter sometimes referred to as "Bonds of the Y Series") and First Mortgage Bonds, 2% Series Z due 2004, to be dated the date of initial authentication of the Bonds of said Series (hereinafter sometimes referred to as "Bonds of the Z Series") and to be due May 21, 2004, and has authorized the initial issue of Bonds of the Y Series in the principal amount of Five Million Three Hundred Ninety-Three Thousand Dollars (\$5,393,000) and has authorized the initial issue of Bonds of the Z Series in the principal amount of [Two Hundred Ninety-Five Thousand Four Hundred Twenty-Five Dollars and thirty-five cents (\$295,425.35)] pursuant to the provisions of Article 3 of the Original Indenture to obtain 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

\*Original face amount of said Bonds issued is \$3,589,000.



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 CALIFORNIA

NONE.

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:

WASHOE COUNTY

The following described property in Washoe County, Nevada as conveyed to Sierra Pacific Power Company from Transwestern Development, Inc., by deed recorded November 9, 1988, Book 2825, Pages 0255, 0256, 0257, 0258, File No. 1286357, Official Records of Washoe County, Nevada.

That certain parcel of land situate in the South half of the Northeast quarter of Section 3, Township 19 North, Range 19 East M.D.B.&M., City of Reno, Washoe County, Nevada, more particularly described as follows:

COMMENCING at the East quarter corner of said Section 3;

Thence North  $0^{\circ}11'00''$  West, 155.80 feet;

Thence North  $61^{\circ}38'03''$  West, 11.39 feet to the TRUE POINT OF BEGINNING;

Thence North  $0^{\circ}11'00''$  West, 298.76 feet;

Thence North  $0^{\circ}11'00''$  West, 138.85 feet;

Thence South  $89^{\circ}49'00''$  West, 2.00 feet to a point on the Southerly boundary of Evans Park Unit 1;

Thence North  $75^{\circ}06'50''$  West, 120.83 feet;

Thence North  $59^{\circ}28'08''$  West, 126.10 feet;

Thence South  $1^{\circ}03'47''$  West, 206.68 feet;

Thence North  $88^{\circ}56'13''$  West, 150.88 feet to the beginning of a tangent curve to the right concave to the North and Northeast from which point the radius point bears North  $1^{\circ}03'47''$  East, and having a radius of 199.15 feet;

Thence Westerly and Northwesterly along said curve a distance of 94.90 feet through a central angle of  $27^{\circ}18'09''$ ;

Thence North  $61^{\circ}38'03''$  West, 355.45 feet to the beginning of a tangent curve to the left concave to the Southwest from which point the radius point bears South  $28^{\circ}21'57''$  West, and having a radius of 423.00 feet;

Thence Northwesterly along said curve a distance of 18.73 feet through a central angle of  $2^{\circ}32'14''$ ;

Thence North  $64^{\circ}10'18''$  West, 9.22 feet;

Thence South  $27^{\circ}41'45''$  West, 75.01 feet to the beginning of a tangent curve to the right concave to the Northwest and North from which point the radius point bears North  $62^{\circ}18'15''$  West and having a radius of 137.00 feet;

Thence Southwesterly and Westerly along said curve a distance of 156.40 feet through a central angle of  $65^{\circ}24'26''$ ;

Thence North  $86^{\circ}53'49''$  West, 182.60 feet to the beginning of a tangent curve to the left concave to the South and Southeast from which point the radius point bears South  $3^{\circ}06'11''$  West, and having a radius of 298.00 feet;

Thence Westerly and Southwesterly along said curve a distance of 156.42 feet through a central angle of  $30^{\circ}04'25''$ ;



Thence South  $63^{\circ}01'46''$  West, 93.00 feet to the beginning of a tangent curve to the right concave to the Northwest and North from which point the radius point bears North  $26^{\circ}58'14''$  West and having a radius of 298.31 feet;

Thence Southwesterly and Westerly along said curve a distance of 80.45 feet through a central angle of  $15^{\circ}27'05''$  to the beginning of a tangent curve to the right concave to the North, Northeast and East from which point the radius point bears North  $11^{\circ}31'09''$  West and having a radius of 20.00 feet;

Thence Westerly, Northwesterly and Northerly along said curve a distance of 32.85 feet through a central angle of  $94^{\circ}07'16''$ ;

Thence South  $82^{\circ}36'06''$  West, 46.00 feet;

Thence South  $7^{\circ}23'54''$  East, 8.96 feet;

Thence North  $89^{\circ}55'42''$  West, 125.40 feet;

Thence South  $0^{\circ}04'18''$  West, 68.97 feet;

Thence North  $89^{\circ}55'42''$  West, 39.00 feet;

Thence South  $1^{\circ}37'35''$  West, 28.92 feet;

Thence North  $88^{\circ}48'28''$  East, 145.00 feet;

Thence North  $88^{\circ}48'28''$  East, 41.51 feet

Thence North  $88^{\circ}48'28''$  East, 44.30 feet;

Thence South  $87^{\circ}57'18''$  East, 75.00 feet;

Thence South  $87^{\circ}57'18''$  East, 91.87 feet;

Thence North  $0^{\circ}09'47''$  East, 97.74 feet;

Thence South  $89^{\circ}50'13''$  East, 160.00 feet;

Thence North  $87^{\circ}30'45''$  East, 256.53 feet;

Thence North  $70^{\circ}39'00''$  East, 117.37 feet;

Thence North  $0^{\circ}01'31''$  East, 26.07 feet;

Thence South  $61^{\circ}55'48''$  East, 44.84 feet;



Thence along said curve to the right, having a central angle of 90°00'00" a radius of 20.00 feet, for an arc length of 31.42 feet;

Thence South 00°03'18" East, 25.00 feet, to the beginning of a curve to the right;

Thence along said curve to the right, having a central angle of 20°03'04" a radius of 175.00 feet, for an arc length of 61.24 feet;

Thence South 89°56'42" West, 69.39 feet;

Thence North 00°03'18" West, 105.00 feet, returning to the true point of beginning.

Containing .186 acres, more or less.

#### WASHOE COUNTY

The following described property situate in Washoe County, Nevada as conveyed to Sierra Pacific Power Company from E.W. McKenzie and Genevieve McKenzie, as Co-Trustees of the E.W. McKenzie Family Trust, by deed recorded April 18, 1989, Book 2895, Page 0796, File No. 1317903, Official Records of Washoe County, Nevada.

Parcel 2 of Parcel Map No. 2340 being a Parcel Map of Lot IV of Amended Parcel Map No. 899 for E.W. McKenzie Family Trust according to the map thereof filed in the Office of the County Recorder of Washoe County, State of Nevada on March 20, 1989, under File No. 1311611, Official Records.

Containing 5.00 acres, more or less.

#### DOUGLAS COUNTY

The following described property in Douglas County, Nevada as conveyed to Sierra Pacific Power Company from Eastside Memorial Park, Inc., by Boundary Line Adjustment, recorded February 23, 1988, Book 288, Page 3047, Instrument No. 173019, Official Records of Douglas County, Nevada.

A parcel of land located within the Northwest one-quarter of Section 26, Township 13 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

BEGINNING at a point which is the intersection of the Northerly line of the realignment of Buckeye Road with the Westerly line of Parcel 16-C of the Carter Parcel Map, Document No. 64509 of the Douglas County Recorders Office, said point bears South  $56^{\circ}13'12''$  West, 4,448.15 feet from the Northeast corner of said Section 26;

Thence South  $00^{\circ}55'07''$  West, 30.00 feet to the centerline of said realignment of Buckeye Road;

Thence North  $89^{\circ}07'32''$  West, along said centerline, 327.39 feet;

Thence North  $89^{\circ}08'16''$  West, along said centerline, 184.43 feet;

Thence North  $00^{\circ}25'24''$  East, 30.04 feet, to the Southerly line of the existing Sierra Pacific Power Company parcel;

Thence South  $89^{\circ}07'32''$  East, along said Southerly line, 512.08 feet to the POINT OF BEGINNING:

Containing 0.353 acres more or less.

#### ELKO COUNTY

The following described property situate in Elko County, Nevada as conveyed to Sierra Pacific Power Company from Willis Packer and Dean and Sharon Rhoads by deed recorded April 21, 1989, Book 674, Page 426, File No. 273988, Official Records of Elko County, Nevada.

Parcel 2 as shown on the certain Parcel Map for Willis Packer, Sharon Rhoads and Dean Rhoads, filed April 7, 1989, in the Office of the County Recorder of Elko County, Nevada as File No. 273280.

Containing 9.33 acres more or less.

#### PERSHING COUNTY

The following described property in Pershing County, Nevada as conveyed to Sierra Pacific Power Company from C.M. Turley and Wanda June Turley by deed recorded April 21, 1988, Roll 209, Page 215, File No. 163074, Official Records of Pershing County, Nevada.

All that certain parcel of real property situate in the Southeast quarter of Section 6, Township 32 North, Range 34 East, M.D.B. & M., and being more particularly described as follows:

BEGINNING at a point on the Southerly line of Lake Road from which the East quarter corner of said Section 6 bears North  $37^{\circ}45'14''$  East, 1281.31 feet;

Thence along said Southerly line of Lake Road North  $62^{\circ}19'07''$  West, 280.00 feet;

Thence South  $27^{\circ}40'53''$  West, 330.00 feet;

Thence South  $62^{\circ}19'07''$  East, 280.00 feet;

Thence North  $27^{\circ}40'53''$  East, 330.00 feet to the point of beginning.

Further described on that Record of Survey for SIERRA PACIFIC POWER COMPANY, filed in the Office of the Pershing County Recorder on March 25, 1988, as File No. 162339.

Containing 2.12 acres more or less.

ESMERALDA COUNTY

The following described property situate in Esmeralda County, Nevada, as conveyed to Sierra Pacific Power Company from the Board of County Commissioners of the County of Esmeralda, by deed, recorded November 1, 1988, Book 133, Page 478-479, File No. 122648, Official Records of Esmeralda County, Nevada.

A portion of Lot 1, Block P, in the Town of Silver Peak, County of Esmeralda, State of Nevada, in the Northeast quarter of the Northeast quarter of the Southwest quarter of the Northeast quarter in Section 22, Township 25 North, Range 39 East, M.D.M., as shown on that certain map entitled "Record of Survey of BLM Purchase in Silver Peak, Nevada," recorded in, Book D of Maps, Official Esmeralda County Records, Page 39, Document No. 122022, and more particularly described as that portion of Parcel 1 of that certain parcel map recorded in Book D of Maps, Official Records of Esmeralda County, Page 35, Document No. 115761, within said town of Silver Peak.

Containing .262 acres more or less.

CHURCHILL COUNTY

The following described property situate in Churchill County, Nevada, as conveyed to Sierra Pacific Power Company from Ormat Energy Systems, Inc., by Correction Deed, recorded February 1, 1989, Instrument No. 243150, Official Records of Churchill County, Nevada.

Parcel 2 of the Parcel Map for Frank Soares Trust, recorded July 22, 1988, under File No. 238509, Official Records, Churchill County, Nevada.

Containing 1.528 acres, more or less.

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, Elko, Winnemucca, Hawthorne, Tonopah and Battle Mountain, in the Counties of Carson City, Churchill, Douglas, Elko, 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), 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, system 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.

#### 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, subject to the provisions of §5.16 of the Original Indenture as renumbered by §1.07 of the Twentieth Supplemental 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 as modified by §1.03 of the Twentieth Supplemental 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 I.

Description of Bonds of the Y Series.

§1.01. Establishment of Bonds of the Y 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, 5% Series Y due 2024" (herein sometimes referred to as "Bonds of the Y Series").

§1.02. Terms of Bonds of the Y Series. The Bonds of the Y Series shall be issued only as registered Bonds without coupons, numbered Y1 upwards. Each Bond of the Y Series shall be of the denomination of \$1,000 or any multiple thereof (or, in the case of Bonds issued upon exchange or transfer, of any denomination).

All Bonds of the Y Series shall finally mature thirty-five (35) years from the date of initial authentication of the Bonds of said Series and shall bear interest at the rate of 5% per annum, payments of principal and of interest to be made at the times and in the manner provided in the form of the Bonds of said Series set forth in §1.05 of this Twenty-seventh Supplemental Indenture. Every Bond of the Y Series shall be dated as provided in §2.08 of the Original Indenture as modified by § 2.03 of the Twelfth Supplemental Indenture.

The principal of and interest on the Bonds of the Y 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; provided, however, that princi-

pal of and interest on the Bonds of the Y Series may be paid by electronic funds transfer or by checks payable to the order of the respective holders entitled thereto and mailed to such holders at their respective addresses as shown on the Bond register for the Bonds of the Y Series.

Any notice affecting or relating to the Bonds of the Y 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 Y 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.

The Bonds of the Y Series shall be transferable and exchangeable upon the terms stated in the form of the Bonds of said Series set forth in §1.05 of this Twenty-seventh Supplemental Indenture. Neither the Company nor the Trustee shall be required to make transfers or exchanges of Bonds of the Y Series for a period of 10 days next preceding any date for a payment of interest or principal on Bonds of the Y Series, and neither the Company nor the Trustee shall be required to make transfers or exchanges of any Bonds of the Y Series in respect of which principal has not been advanced pursuant to the loan contract referred to in the form of the Bonds of the Y Series set forth in §1.05 of this Twenty-seventh Supplemental Indenture (said loan contract, as the same has been and may be amended from time to time, being hereinafter called the "Loan Contract") or provision for payment of all or part of which on a specified payment date has been made or to the extent previously paid.

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 Y Series, and shall maintain a Bond register for the Bonds of the Y Series.

§1.03. Prepayment Provisions for Bonds of the Y Series. The Company on any monthly payment date (as provided in the form of the Bonds of the Y Series set forth in §1.05 of this Twenty-seventh Supplemental Indenture) may pay all or any part of the principal of the Bonds of the Y Series then advanced

pursuant to the Loan Contract and remaining unpaid, but so long as any of the principal of the Bonds of the Y Series advanced pursuant to the Loan Contract shall remain unpaid, the Company shall be obligated to make each monthly payment on account of principal and interest, in the amount provided in said form of the Bonds of the Y Series, unless the Company and all holders of the Bonds of the Y Series shall otherwise agree.

§1.04. Restrictions on Payment of Dividends on Common Stock. Notwithstanding the provisions of §1.03 of Article 1 of the Nineteenth Supplemental Indenture that the provisions of said Section 1.03 shall be in force and effect only so long as there are outstanding any Bonds of any series issued before the date of said Nineteenth Supplemental Indenture, the Company hereby covenants that the covenants made by the Company in said §1.03 of said Article 1 of said Nineteenth Supplemental Indenture shall continue also so long as any Bonds of the Y Series shall remain outstanding.

§1.05. Form of Bonds of the Y Series. The Bonds of the Y Series and the Trustee's authentication certificate to be executed on the Bonds of said series shall be substantially in the form following:

(Form of Bond of Y Series)

SIERRA PACIFIC POWER COMPANY  
First Mortgage Bond,  
5% Series Due 2024

No. Y

Reno, Nevada  
(Date of authentication)

SIERRA PACIFIC POWER COMPANY (hereinafter called the "Company"), a corporation organized and existing under the laws of the State of Nevada, for value received, promises to pay to \_\_\_\_\_ or registered assigns, at the times and in the manner hereinafter provided, so much of the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) as shall have been advanced by the United States of America to the Company from time to time on or prior to \_\_\_\_\_, 1993 (as shown on Schedule A hereto) pursuant to a certain loan contract dated as of July 3,

\_\_\_\_\_  
Month and day of initial authentication of Bonds of the Y Series.

1972 between the United States of America and the Company, as the same has been and may be amended from time to time (said loan contract, as so amended, being hereinafter called the "Loan Contract"), and as shall remain unpaid, and also promises to pay, at the times and in the manner herein provided, interest on the principal amounts so advanced and remaining unpaid from time to time, at the rate of five (5) per centum per annum.

Interest on each amount of principal so advanced pursuant to the Loan Contract and remaining unpaid shall be payable monthly, on the last day of each month of each year for the period ending \_\_\_\_\_, 1991. Thereafter, to and including \_\_\_\_\_, 2024, the Company shall make a payment on each of said monthly dates in each year at the rate of \$5.17 per \$1,000 of the principal amount hereof advanced pursuant to the Loan Contract and unpaid on \_\_\_\_\_, 1991.

Interest on principal advanced pursuant to the Loan Contract between \_\_\_\_\_, 1991 and \_\_\_\_\_, 1993 and remaining unpaid shall be payable on each of said monthly payment dates for a period ending \_\_\_\_\_, 1993. Thereafter, to and including \_\_\_\_\_, 2024 the Company shall make a payment on each of said monthly payment dates at the rate of \$5.30 per \$1,000 of the principal amount advanced pursuant to the Loan Contract between \_\_\_\_\_, 1991 and \_\_\_\_\_, 1993 and unpaid on \_\_\_\_\_, 1993. This payment shall be in addition to the payment made on the principal amount advanced and unpaid on \_\_\_\_\_, 1991.

Each payment made on this bond shall be applied first to the payment of interest on principal and then on account of principal. On \_\_\_\_\_, 2024, the principal hereof so advanced pursuant to the Loan Contract and remaining unpaid, if any, and interest thereon, shall become due and payable.

The principal of and interest on this bond will be paid in lawful money of the United States of America and shall be payable at the principal corporate trust office in the City of Boston, Massachusetts of the Trustee described below, provided however that any and all such principal and interest may be paid by electronic funds transfer or by check payable to the

\_\_\_\_\_  
\*Month and day of initial authentication of Bonds of the  
Y Series.

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 Y Series.

The Company on any payment date, as hereinabove provided, may pay all or any part of the principal hereof then advanced pursuant to the Loan Contract and remaining unpaid, but so long as any of the principal hereof advanced pursuant to the Loan Contract shall remain unpaid, the Company shall be obligated to make the monthly payment on account of principal and interest, in the amount hereinabove provided. Any amounts hereof prepaid under this paragraph shall be recorded on Schedule B hereto. The holder hereof by acceptance hereof waives any right to notice of any such bond prepayment.

This bond is one of the bonds of a series (herein sometimes referred to as the "Bonds of the Y 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 Bank of New England, National Association by succession, herein sometimes called the "Trustee"), and Leo W. Huegle (now Gerald R. Wheeler 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, by the Eighteenth Supplemental Indenture, dated as of August 1, 1977, by the Nineteenth Supplemental Indenture, dated as of April 1, 1978, and by the Twentieth Supplemental Indenture, dated as of October 1, 1978, and as supplemented by all other indentures supplemental thereto including a Twenty-seventh Supplemental

Indenture, dated as of August 1, 1989, 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.

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 or alterations may be effected as aforesaid.

The Company and the Trustee may deem and treat the person in whose name this bond shall be registered upon the Bond register for the Bonds of the Y 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 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, but only (a) upon surrender of this bond at the principal corporate trust office in Boston, Massachusetts of the Trustee for verification by the Trustee (which may conclusively rely on its own records as to transactions in which it participated and on a certificate of the Company as to other transactions) of the amounts of principal hereof advanced pursuant to the Loan Contract from time to time and of the dates of such advances, all as shown on Schedule A hereto, and of the principal amount hereof prepaid as shown on Schedule B hereto, and for cancellation by the Trustee of this bond, and (b) 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 in the principal amount so verified to have been advanced and not prepaid will be issued to the transferee in exchange therefor. Any transferee hereof by acceptance hereof agrees to be subject to the foregoing conditions.

The registered owner of this bond at his option may similarly surrender the same at said office for verification by

the Trustee of principal hereof advanced and the dates of such advances as shown on Schedule A and of principal hereof prepaid as shown on schedule B, and for cancellation, and may receive in exchange therefor registered bonds of the same series but of other authorized denominations in the aggregate principal amount so verified to have been advanced and not prepaid, all 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 the Y Series for a period of 10 days next preceding any date for a payment of interest or principal on Bonds of the Y Series, and neither the Company nor the Trustee shall be required to make transfers or exchanges of any bonds of the Y Series in respect of which principal has not been advanced pursuant to the Loan Contract or provision for payment of all or part of which on a specified payment date has been made or to the extent previously paid.

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.

This bond evidences indebtedness created by a loan under the Rural Electrification Act of 1936, as amended, including Public Law 93-32.

If the United States of America shall at any time assign this bond and insure the payment hereof, the Company shall continue (as long as the United States of America shall remain the



registered holder hereof) to make payments hereunder to the United States of America as collection agent for the insured holder, and, for purposes of the Indenture, the United States of America, and not such insured holder, shall be considered to be, and shall have the rights of, the bondholder.

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.

The registered holder hereof (in this sentence referred to as "it" whether an individual or any other legal entity) by acceptance hereof agrees (i) that prior to any transfer or exchange of this bond it will (if it is the United States of America) record any advances of principal made by it and the dates thereof on Schedule A, (ii) that prior to any transfer or exchange of this bond it will record any prepayments received by it on Schedule B, (iii) that it will indemnify and hold harmless the Company and the Trustee for any loss, damage or expense arising from its failure to perform said agreements and (iv) that it waives any rights it may have under the Indenture to receive interest on all or any portion of the principal amount of this bond or account of any period prior to the date such principal has been advanced under the Loan Contract.

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.

#### SCHEDULE A

#### ADVANCES OF PRINCIPAL

(NOTICE: THE WITHIN BOND MAY NOT BE TRANSFERRED OR EXCHANGED UNTIL THIS SCHEDULE HAS BEEN VERIFIED BY THE TRUSTEE)

Principal Amount Advanced	Date Advanced	Authorized Official and Title
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SCHEDULE B  
PREPAYMENTS OF PRINCIPAL

(NOTICE: THE WITHIN BOND MAY NOT BE TRANSFERRED OR EXCHANGED  
UNTIL THIS SCHEDULE HAS BEEN VERIFIED BY THE TRUSTEE)

Principal Amount Prepaid	Date Prepaid	Authorized Official and Title
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IN WITNESS WHEREOF the Company has caused this bond to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

SIERRA PACIFIC POWER COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary

AUTHENTICATION CERTIFICATE

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

BANK OF NEW ENGLAND, NATIONAL ASSOCIATION,  
Corporate Trustee,

By \_\_\_\_\_  
Authorized Signer

§1.06. Minimum Provision for Depreciation. So long as any Bonds of the Y Series shall remain outstanding, the term "minimum provision for depreciation" shall have the meaning set forth in §1.01(ii) of the Indenture as inserted by §1.01 of the Nineteenth Supplemental Indenture.

§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 Y Series are outstanding.

#### ARTICLE 2.

##### Description of Bonds of the Z Series.

§2.01. Establishment of Bonds of the Z 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, 2% Series Z due 2004" (herein sometimes referred to as "Bonds of the Z Series").

§2.02. Terms of Bonds of the Z Series. The Bonds of the Z Series shall be issued only as registered Bonds without coupons, numbered Z1 upwards. Each Bond of the Z Series shall be of any denomination.

All Bonds of the Z Series shall finally mature on May 21, 2004 and shall bear interest at the rate of 2% per annum, payments of principal and of interest to be made at the times and in the manner provided in the form of the Bonds of said Series set forth in §2.05 of this Twenty-seventh Supplemental Indenture. Every Bond of the Z Series shall be dated as provided in §2.08 of the Original Indenture as modified by § 2.03 of the Twelfth Supplemental Indenture.

The principal of and interest on the Bonds of the Z 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; provided, however, that principal of and interest on the Bonds of the Z Series may be paid by electronic funds transfer or by checks payable to the order of the respective holders entitled thereto and mailed to such holders at their respective addresses as shown on the Bond register for the Bonds of the Z Series.

Any notice affecting or relating to the Bonds of the Z 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 Z Series. The certificate of the Trustee that such mailing has been effected shall be conclusive

evidence of compliance with the requirements of this §2.02 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.

The Bonds of the Z Series shall be transferable and exchangeable upon the terms stated in the form of the Bonds of said Series set forth in §2.05 of this Twenty-seventh Supplemental Indenture. Neither the Company nor the Trustee shall be required to make transfers or exchanges of Bonds of the Z Series for a period of 10 days next preceding any date for a payment of interest or principal on Bonds of the Z Series, and neither the Company nor the Trustee shall be required to make transfers or exchanges of any Bonds of the Z Series provision for payment of all or part of which on a specified payment date has been made or to the extent previously paid.

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 Z Series, and shall maintain a Bond register for the Bonds of the Z Series.

§2.03. Prepayment Provisions for Bonds of the Z Series. The Company on any quarterly payment date (as provided in the form of the Bonds of the Z Series set forth in §2.05 of this Twenty-seventh Supplemental Indenture) may pay all or any part of the principal of the Bonds of the Z Series, but so long as any of the principal of the Bonds of the Z Series shall remain unpaid, the Company shall be obligated to make each quarterly payment on account of principal and interest, in the amount provided in said form of the Bonds of the Z Series, unless the Company and all holders of the Bonds of the Z Series shall otherwise agree.

§2.04. Restrictions on Payment of Dividends on Common Stock. Notwithstanding the provisions of §1.03 of Article 1 of the Nineteenth Supplemental Indenture that the provisions of said Section 1.03 shall be in force and effect only so long as there are outstanding any Bonds of any series issued before the date of said Nineteenth Supplemental Indenture, the Company hereby covenants that the covenants made by the Company in said §1.03 of said Article 1 of said Nineteenth Supplemental Indenture shall continue also so long as any Bonds of the Z Series shall remain outstanding.

§2.05. Form of Bonds of the Z Series. The Bonds of the Z Series and the Trustee's authentication certificate to be executed on the Bonds of said series shall be substantially in the form following:

(Form of Bond of Z Series)

SIERRA PACIFIC POWER COMPANY  
First Mortgage Bond,  
Z Series Due 2004

No. Z

Reno, Nevada  
[Date of authentication]

SIERRA PACIFIC POWER COMPANY (hereinafter called the "Company"), a corporation organized and existing under the laws of the State of Nevada, for value received, promises to pay to the order of the UNITED STATES OF AMERICA or registered assigns, at the times and in the manner hereinafter provided, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) pursuant to a certain loan contract dated as of July 3, 1972, between the United States of America and the Company, as the same has been and may be amended from time to time (said loan contract, as so amended, being hereinafter called the "Loan Contract"), and as shall remain unpaid, and also promises to pay, at the times and in the manner herein provided, interest on the principal amounts outstanding under the Loan Contract and remaining unpaid from time to time, at the rate of two (2) per centum per annum, from the last day of March, June, September or December next preceding the date of this bond.

From and after the date hereof the Company shall make a payment on the last day of March, June, September and December of each year at the rate of \$19.62 per \$1,000 of the principal amount hereof. Each such payment made on this bond shall be applied first to the payment of interest on principal and then on account of principal. On May 21, 2004, the principal hereof remaining unpaid, if any, and interest thereon, shall become due and payable.

The principal of and interest on this bond will be paid in lawful money of the United States of America and shall be payable at the principal corporate trust office in the City of Boston, Massachusetts of the Trustee described below, provided however that any and all such principal and interest may be paid by electronic funds transfer or 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 Z Series.

The Company on any payment date, as hereinabove provided, may pay all or any part of the principal hereof then outstanding under the Loan Contract and remaining unpaid, but so long

as any of the principal hereof outstanding under the Loan Contract shall remain unpaid, the Company shall be obligated to make the quarterly payment in the amount hereinabove provided. Any amounts hereof prepaid under this paragraph shall be recorded on Schedule A hereto. The holder hereof by acceptance hereof waives any right to notice of any such bond prepayment.

This bond is one of the bonds of a series (herein sometimes referred to as the "Bonds of the Z 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 Bank of New England, National Association by succession, herein sometimes called the "Trustee"), and Leo W. Huegle (now Gerald R. Wheeler 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, by the Eighteenth Supplemental Indenture, dated as of August 1, 1977, by the Nineteenth Supplemental Indenture, dated as of April 1, 1978, and by the Twentieth Supplemental Indenture, dated as of October 1, 1978, and as supplemented by all other indentures supplemental thereto including a Twenty-seventh Supplemental Indenture, dated as of August 1, 1989, 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.

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 or alterations may be effected as aforesaid.

The Company and the Trustee may deem and treat the person in whose name this bond shall be registered upon the Bond register for the Bonds of the 2 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 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, but only (a) upon surrender of this bond at the principal corporate trust office in Boston, Massachusetts of the Trustee for verification by the Trustee (which may conclusively rely on its own records as to transactions in which it participated and on a certificate of the Company as to other transactions) of the amounts of principal hereof outstanding and of the principal amount hereof prepaid as shown on Schedule A hereto, and for cancellation by the Trustee of this bond, and (b) 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 in the principal amount so verified to be outstanding and not prepaid will be issued to the transferee in exchange therefor. Any transferee hereof by acceptance hereof agrees to be subject to the foregoing conditions.

The registered owner of this bond at his option may similarly surrender the same at said office for verification by the Trustee of principal hereof outstanding and of principal hereof prepaid as shown on Schedule A, and for cancellation, and may receive in exchange therefor registered bonds of the same series but of other authorized denominations in the aggregate principal amount so verified to be outstanding and not prepaid, all 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.

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Neither the Company nor the Trustee shall be required to make transfers or exchanges of Bonds of the Z Series for a period of 10 days next preceding any date for a payment of interest or principal on Bonds of the Z Series or provision for payment of all or part of which on a specified payment date has been made or to the extent previously paid.

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.

This bond evidences indebtedness created by a loan under the Rural Electrification Act of 1936, as amended, including Public Law 93-32.

If the United States of America shall at any time assign this bond and insure the payment hereof, the Company shall continue (as long as the United States of America shall remain the registered holder hereof) to make payments hereunder to the United States of America as collection agent for the insured holder, and, for purposes of the Indenture, the United States of America, and not such insured holder, shall be considered to be, and shall have the rights of, the bondholder.

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.

The registered holder hereof (in this sentence referred to as "it" whether an individual or any other legal entity) by acceptance hereof agrees (i) that prior to any transfer or exchange of this bond it will record any prepayments received by it on Schedule A and, (ii) that it will indemnify and hold harmless the Company and the Trustee for any loss, damage or expense arising from its failure to perform said agreement.

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.

SCHEDULE A

PREPAYMENTS OF PRINCIPAL

(NOTICE: THE WITHIN BOND MAY NOT BE TRANSFERRED OR EXCHANGED UNTIL THIS SCHEDULE HAS BEEN VERIFIED BY THE TRUSTEE)

Principal Amount Prepaid	Date Prepaid	Authorized Official and Title
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IN WITNESS WHEREOF the Company has caused this bond to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

SIERRA PACIFIC POWER COMPANY

(SEAL)

By \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary

AUTHENTICATION CERTIFICATE

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

BANK OF NEW ENGLAND, NATIONAL ASSOCIATION,  
Corporate Trustee.

By \_\_\_\_\_  
Authorized Signer

§2.06. Minimum Provision for Depreciation. So long as any Bonds of the Z Series shall remain outstanding, the term "minimum provision for depreciation" shall have the meaning set forth in §1.01(ii) of the Indenture as inserted by §1.01 of the Nineteenth Supplemental Indenture.

§2.07. Duration of Effectiveness of Article 2. This Article shall be in force and effect only so long as any of the Bonds of the Z Series are outstanding.

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 Three Hundred Two Million Four Hundred Forty Thousand Four Hundred Four Dollars and Forty-eight Cents (\$302,440,404.48) namely 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, 4 7/8% Series due 1992, now issued and outstanding, Seven Million Dollars (\$7,000,000) principal amount of First Mortgage Bonds, 4 3/4% 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, 6 1/2% Series due 1997, now issued and outstanding, Twenty Million Dollars (\$20,000,000) principal amount of First Mortgage Bonds, 8 1/4% Series due

2002, now issued and outstanding, Thirty Million Dollars (\$30,000,000) principal amount of First Mortgage Bonds, 9 7/8% Series due 2004, now issued and outstanding, Two Million Six Hundred Fifty One Thousand Nine Hundred Seventy-Nine Dollars and Thirteen Cents (\$2,651,979.13) 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, 7 7/8% Series P due 2006, now issued and outstanding, Thirty-five Million Dollars (\$35,000,000) principal amount of First Mortgage Bonds, 8 5/8% Series Q due 2007, now issued and outstanding, Thirty Million Dollars (\$30,000,000) principal amount of First Mortgage Bonds, 6.80% Series R due 2009, now issued and outstanding, Eleven Million Six Hundred Thousand Dollars (\$11,600,000) principal amount of First Mortgage Bonds, 12 1/2% Series U due 2012, now issued and outstanding, One Million Dollars (\$1,000,000) principal amount of First Mortgage Bonds, 12 1/4% Series V due 2012, now issued and outstanding, Forty-three Million Dollars (\$43,000,000) principal amount of First Mortgage Bonds, 9 3/4% Series W due 2016, now issued and outstanding, Seventy Million Dollars (\$70,000,000) principal amount of First Mortgage Bonds 10 1/8% Series X due 2018, now issued and outstanding, Five Million Three Hundred Ninety-Three Thousand Dollars (\$5,393,000) principal amount of First Mortgage Bonds 5% Series Y due 2024 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 and Two Hundred Ninety Five Thousand Four Hundred Twenty-Five Dollars and Thirty-Five Cents (\$295,425.35) principal amount of First Mortgage Bonds 2% Series Z due 2004 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.

#### 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 the Original Indenture as so supplemented and modified is hereby confirmed. All terms used in this Twenty-seventh 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, 1989, the actual date or dates of execution by the Company and the Trustees are as indicated by their respective acknowledgments 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 Twenty-seventh 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 Bank of New England, National Association in token of its acceptance of the trust hereby created has caused this Twenty-seventh 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 Assistant Vice Presidents or Trust Officers or Assistant Trust Officers, and its corporate seal to be attested by one of its Assistant Trust Officers; and Gerald R. Wheeler in token of his acceptance of the trust hereby created has hereunto set his hand and seal, all of as of the day and year first above written.

SIERRA PACIFIC POWER COMPANY

By M. Clifford Phillips  
M. Clifford Phillips  
Vice President

Attest:

John Madariaga  
John Madariaga, Secretary

(CORPORATE SEAL)

Signed, sealed and delivered on behalf of

SIERRA PACIFIC POWER COMPANY, in the presence of:

Mary A. Bennett



BANK OF NEW ENGLAND,  
NATIONAL ASSOCIATION

By *Brian Hunt*  
Trust Officer

Attest:

*M. J. [Signature]*  
Assistant Trust Officer.

(CORPORATE SEAL)

Signed, sealed and delivered on behalf of

BANK OF NEW ENGLAND, NATIONAL ASSOCIATION  
in the presence of:

*W. A. [Signature]*

Gerald R. Wheeler  
Gerald R. Wheeler

Signed, sealed and delivered by

Gerald R. Wheeler in the presence of:

Michael W. Fell



STATE OF NEVADA )  
COUNTY OF WASHOE )                            ) ss.:

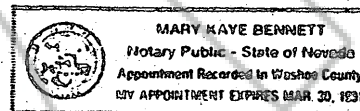
On this 5<sup>th</sup> day of August, A.D., 1989, (i) personally appeared before me, a notary Public in and for the County of Washoe, John Madariaga, known to me to be the Secretary of Sierra Pacific Power Company, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said 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 M. Clifford Phillips and the same John Madariaga to me personally known, who being by me duly sworn did say that they are a Vice President and the 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 M. Clifford Phillips and John Madariaga also acknowledged the said instrument to be the free act and deed of said Corporation.

Mary Kaye Bennett  
Notary Public

Name: Mary Kaye Bennett

My commission expires: 3/30/91

(NOTARIAL SEAL)



COMMONWEALTH OF MASSACHUSETTS. )  
COUNTY OF SUFFOLK. ) ss.:

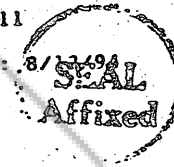
On this 11 day of August, A.D., 1989, (i) personally appeared before me, a Notary Public, Michael Andrews, known to me to be an Assistant Trust Officer of Bank of New England, National Association, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the 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 Brian J. Curtis and the same Michael Andrews to me personally known, who being by me duly sworn did say that they are a Trust Officer and Assistant Trust Officer, respectively, of Bank of New England, National Association, 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 Michael Andrews and Brian J. Curtis acknowledged said instrument to be the free act and deed of said Bank.

*Richard W. Cotell*  
Notary Public

Name: Richard W. Cotell

My commission expires: 8/12/91

(NOTARIAL SEAL)



COMMONWEALTH OF MASSACHUSETTS. )  
COUNTY OF MIDDLESEX. ) ss.:

On this 11 day of August, A.D., 1989, (i) personally appeared before me, a Notary Public in and for the County of Middlesex, Gerald R. Wheeler, of 37 Cleveland Road, Waltham, Massachusetts, 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 Gerald R. Wheeler, 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.

Richard W. Cotell  
Notary Public

Name: Richard W. Cotell

My commission expires: 8/12/94

(NOTARIAL SEAL)

SEAL  
Affixed

RECORDED AT THE REQUEST OF

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Sierra Pacific Power Co -  
TO REG -9 AB 26

OFFICIAL RECORDS  
EUREKA COUNTY, CALIFORNIA  
P.M. FEBRUARY 14 1990  
FILE NO. 122811

122811

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