COLORADO RIVER COMMISSION OF NEVADA
AGENDA ITEM D
FOR MEETING OF SEPTEMBER 11, 2018

SUBJECT:

For Possible Action: **Public Hearing for the Allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post-2024** including the consideration of and possible action to approve, modify or reject, in whole or in part, the proposed Draft Order dated August 21, 2018, setting forth the recommended allocations of the hydropower resource.

RELATED TO AGENDA ITEM:

None.

RECOMMENDATION OR RECOMMENDED MOTION:

Staff recommends that the Commission approve the Draft Order.

FISCAL IMPACT:

None.

STAFF COMMENTS AND BACKGROUND:

The Commission's current contracts with the Western Area Power Administration (WAPA) and with its customers for SLCAIP hydropower expire on September 30, 2024. WAPA began the process for the post-2024 allocations in 2015 and the Commission has been offered a contract through September 30, 2057 which contains the same allocation amounts it currently holds - **20,851** kW of capacity and **37,944,500** kWh of energy (Summer Season) and **27,414** kW of capacity and **50,267,119** kWh of energy (Winter Season).

Before the Commission commits to taking this resource through 2057, it must ensure that there are customers in Nevada who will take the resource. To that end, Commission began an allocation proceeding in accordance with the process recently revised in NAC 538.455. Staff prepared a Notice and Invitation to Apply for the resource which contained the criteria to be utilized by the Commission in determining the allocations awarded. An application form has also been prepared.

The Commission approved the Notice, Invitation to Apply and Application for post-2024 SLCAIP Hydropower on June 12, 2018. Staff posted the Notice and solicited Applications. Applications were due July 16, 2018.

The Commission received four (4) applications (attached hereto):
City of Boulder City (current SLCAIP contractor);
City of Las Vegas (new request);
Overton Power District No. 5 (current SLCAIP contractor); and
Valley Electric Association (current SLCAIP contractor).

Staff reviewed the Applications and drafted an Order (Draft Order) (attached hereto) which provided an allocation to each applicant. In order for some of the resource to be allocated to the City of Las Vegas, the three current contractors' allocations were each reduced by approximately 7%.

Staff provided the Draft Order containing the proposed allocations to each of the four Applicants on July 24, 2018 and asked for written comments on August 14, 2018. Valley Electric Association filed a comment letter supporting the proposed allocations.

DRAFT

SLCAIP ALLOCATION ORDER

BEFORE THE
COLORADO RIVER COMMISSION OF NEVADA

In the Matter Of:

ALLOCATION OF SALT LAKE CITY AREA INTEGRATED PROJECTS (SLCAIP) HYDROPOWER POST 2024

ORDER

At the regular monthly meeting of the Colorado River Commission of Nevada ("Commission") held on September 11, 2018, a public hearing was held on the allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024:

PRESENT: Chairwoman Puoy K. Premsrirut
Vice Chairwoman Kara J. Kelley
Commissioner Marilyn Kirkpatrick
Commissioner John F. Marz
Commissioner Steve Sisolak
Commissioner Dan H. Stewart
Commissioner Cody T. Winterton

Executive Director Jayne Harkins, P.E.

INTRODUCTION

The Commission represents and acts for the State of Nevada in the negotiation and execution of contracts with Western Area Power Administration (WAPA) for the purchase of hydropower from federal generation facilities. *See* NRS 538.161. WAPA markets and transmits SLCAIP hydroelectric power pursuant to, *inter alia*, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187). These federal generation facilities are operated by the United States Bureau of Reclamation (Reclamation). This Order involves the Federal hydroelectric facilities known as the Collbran Project, Rio Grande Project, and the Colorado River Storage Project. WAPA refers to the collection of these Federal hydroelectric facilities as the Salt Lake City Area Integrated Projects (SLCAIP).

The Commission as part of its negotiations, execution and allocation of the hydropower contracts looks to achieve "the greatest possible benefit to this state." NRS 538.161 and 538.181. Here, the Commission received four applications for the Post 2024 SLCAIP hydropower from the City of Boulder City (BC), the City of Las Vegas (CLV), Overton Power District No. 5 (OPD) and Valley Electric Association, Inc. (VEA). Following is a summary of the allocations the Commission herein orders to each of the applicants:

	Summer		Winter	
	Capacity	Energy	Capacity	Energy
Applicants	kW	kWh	kW	kWh
City of Boulder City	5,138	9,350,439	6,755	12,387,030
City of Las Vegas	1,500	2,729,689	1,972	3,616,166
Overton Power District No. 5	5,828	10,605,104	7,662	14,049,151
Valley Electric Association, Inc.	8,385	15,259,268	11,025	20,214,772
Total:	20,851	37,944,500	27,414	50,267,119

FINDINGS OF FACT

1. On September 11, 2018, a public hearing was held in the above-entitled matter in compliance with the provisions of the Nevada Open Meeting Law, Chapter 538 of the Nevada Revised Statutes (NRS) and Chapter 538 of the Nevada Administrative Code (NAC).

2. The Commission represents and acts for the State of Nevada in the negotiation and execution of contracts for the purchase of hydropower from federal generation facilities for the greatest possible benefit to this state pursuant to NRS 538.166, NRS 538.181 and NAC Chapter 538.
3. The United States Bureau of Reclamation (Reclamation) owns and operates certain Federal hydroelectric facilities known as the Collbran Project, Rio Grande Project, and the Colorado River Storage Project.
4. The Western Area Power Administration (WAPA) markets the hydropower generated at Reclamation's facilities and refers to the hydroelectric facilities of the Collbran Project, Rio Grande Project, and the Colorado River Storage Project collectively as the Salt Lake City Area Integrated Projects (SLCAIP.)
5. The Commission has the authority to hold and administer Nevada's rights to distribution of SLCAIP power and to represent and act for the state of Nevada in contracting for such power pursuant to NRS 538.166, NRS 538.181 and NAC Chapter 538.
6. The Commission has an existing contract with WAPA for SLCAIP hydroelectric power which will expire on September 30, 2024. Under this contract, the Commission is allocated:
    a. Capacity
        i. Winter Season 27,414 kW
        ii. Summer Season 20,851 kW
    b. Energy
        i. Winter Season 50,267,119 kWh
        ii. Summer Season 37,944,500 kWh

7. The Commission has three existing Renewal Contracts with Nevada contractors, BC, OPD and VEA which will also expire on September 30, 2024.
8. In 1993, the Nevada legislature passed an amendment to NRS 538.181 which granted a right of contract renewal to the Commission's customers who had a contract for the purchase of power from the Commission which was in effect on July 1, 1993. In 2004, the Commission executed Renewal Contracts with BC, OPD and VEA for delivery of SLCAIP power from October 1, 2004, through September 30, 2024, to satisfy the one – time right given in that statute.
9. In the November 29, 2016, Federal Register (81 FR 85946), WAPA announced its Final 2025 Salt Lake City Area Integrated Projects Marketing Plan which extended capacity and energy allocations to existing Contractors including the Commission and provided for establishing a new federal Firm Electric Service contract based upon the existing SLCAIP contract.
10. The post 2024 contract will be for deliveries of SLCAIP hydropower from October 1, 2024 to September 30, 2057.
11. The Commission is executing a contract with WAPA for post 2024 SLCAIP power for the same allocations of SLCAIP hydropower outlined in paragraph 6.
12. Concurrent with executing the Federal post 2024 contract, the Commission will enter into contracts with Nevada entities for post 2024 SLCAIP hydropower.
13. To that end, Commission Staff (Staff) prepared a draft Notice and Invitation to Apply for the allocation of SLCAIP Hydropower Post 2024 which included draft allocation criteria as well as a draft Application.

14. Staff noted that pursuant to NRS 704.787, existing contractors that receive a SLCAIP or a Boulder Canyon Project (BCP) – Schedule A or Schedule B allocation from the Commission would be eligible for a SLCAIP allocation as well as the Southern Nevada Water Authority and its member agencies, provided that the Southern Nevada Water Authority and/or its member agencies used the SLCAIP allocation for its water and wastewater operations.
15. On or about April 25, 2018, the Commission issued a Notice of a Public Meeting and Request for Comments on the draft Notice and Invitation to Apply, the draft allocation criteria and the draft Application. The Public Meeting was to be held on May 15, 2018 and written comments were due to the Commission by May 25, 2018.
16. The April 25, 2018 Notice included a copy of the draft documents and was sent to all current customers of the Commission, all individuals on the Commission's notification list and was placed on the Commission's website.
17. The Public Meeting was held on May 15, 2018. Staff gave a background presentation on SLCAIP hydropower, reviewed the draft documents and answered questions from the attendees.
18. On or before the May 25, 2018 deadline for written comments, the Commission received written comments from two of its customers, BC and OPD. Staff reviewed and considered the comments offered by its customers and revised the draft documents in response to some of the comments received.

19. On June 12, 2018, the Commission reviewed, considered and approved the Notice and Invitation to Apply for the allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024, the allocation criteria and the Application.

20. The criteria for the post 2024 SLCAIP allocation as approved by the Commission was:

1. The award of resources to the Applicant will achieve the greatest possible benefit to the state including but not limited to:
   a. Economic development, including but not limited to, job creation, development in, and/or support of, economically disadvantaged areas or rural communities.
   b. Support of public entities (including but not limited to public entities engaged in natural resource management or reductions in expenses for a public entity.)
2. The award of resources to the Applicant will not place an undue administrative burden on the Colorado River Commission of Nevada (CRCNV).
3. The Applicant must be an entity that the CRCNV has the ability to serve under NRS 704.787.
4. If the Applicant is:
   a. An electric utility, it must satisfy the requirements of NAC 538.410(5) which states that the electric utility must:
      i. Have a load that:
         1) Has a peak demand of at least 8 megawatts; and
         2) Is located within Western's defined marketing area in this State for the Boulder Canyon Project, Parker-Davis Project or Southern Division of the Salt Lake City Area Integrated Projects; and
      ii. Be qualified to receive preference power under the applicable provisions of federal law relating to preference power; or
   b. An entity that is a qualified Applicant under NRS 704.787(b), the entity must certify that any power awarded will be used for its water and wastewater operations.
5. The Applicant must have sufficient load to fully utilize the allocated resource, in addition to existing hydropower resources contracted for with the CRCNV.
6. An Applicant requesting an allocation of SLCAIP resource must be able to accept a minimum SLCAIP schedule of 1 MW off-peak.

7. The Applicant must be willing to execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.
8. The Applicant must demonstrate, by June 1, 2024, that it will have all necessary transmission, scheduling and distribution arrangements in place prior to delivery.
9. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.
10. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.
11. The Applicant must be able to make its own, independent assessment of the need for the additional products offered under the SLCAIP Contract including Western Replacement Power (WRP) and Customer Displacement Power (CDP).
12. The Applicant must be creditworthy and in compliance with its current Commission contracts and may be required to post collateral in accordance with and subject to any exceptions, conditions or exemptions in the CRCNV's statutes and regulations.

21. On June 14, 2018, the Commission issued the Notice and Invitation to Apply for the allocation of Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024, the allocation criteria and the Application. Completed applications were due to the Commission by 5 PM PDT on July 16, 2018.

22. On or before the deadline, the following four (4) entities submitted Applications:

City of Boulder City (BC);
City of Las Vegas (CLV);
Overton Power District No. 5 (OPD); and
Valley Electric Association, Inc. (VEA).

23. Staff evaluated each Application for completeness and creditworthiness, verified electric load data, and determined if the Application met the general eligibility criteria. In developing its recommendations regarding the proposed allocations, Staff considered how an Applicant's use of the SLCAIP Hydropower would fulfill the Commission's Approved Criteria and provide the "greatest possible benefit to this state". Staff considered the statements provided by the Applicants in Section 3 of the Application identifying the benefit to the state from the Applicant's receipt of the allocated resource.
24. In its application, **City of Boulder City** requested for the Summer Season 5,537 kW of capacity and 9,278,621 kWh of energy and for the Winter Season 7,279 kW of capacity and 12,291,887 kWh of energy. Staff noted that BC had used energy numbers from a previous contract and revised the request to match BC's current SLCAIP energy allocation, namely 10,075,242 kWh of Summer energy and 13,347,215 kWh of Winter energy.
25. BC stated in its response to Section 3 that:

> Receipt of a Post-2024 SLCAIP allocation is important to maintaining the stability of the Utility's operations which serves over 16,000 Nevadans, 580 local businesses and 61 federal, state and local government facilities. Among the CRC's hydropower customers, the City is one of the more effective users of these allocations to satisfy broad and significant public benefits to Nevadans and government. The CRC can confidently award a Post-2024 SLCAIP allocation to the City knowing from past performance that great "actual" (instead of just "possible") benefit will accrue to Nevada.
>
> The availability of the SLCAIP allocation satisfies 14.5 percent of the resources the Utility deploys to provide electric service at reasonable rates with an emphasis on a renewable resource reliance. The Utility's ability to count on lower-cost clean hydropower for about 60 percent of the energy it sells, allows the City to support very meaningful low-income energy assistance ("LIEA") programs. The City has done so for over 40 years and

in 2017 provided 65 percent of the non-profit electric utility LIEA in the entire state. Likewise, the lower-cost hydropower provided through allocations like that made by the SLCAIP buoy the Utilities very dynamic energy efficiency rebate programs that have been available for over 27 years.

The stable portfolio of lower cost hydropower used by the Utility also allows the City to entertain conservation and renewable energy initiatives through a net metering program, tiered rates and time of use metering. These initiatives permit the Utility to focus on encouraging wiser use of energy instead of allowing policies that generate higher demand to generate revenues. That these policy choices are working is shown by the fact that in the last five years while summer peak demand has increased by 0.8 percent annually, total energy consumption has decreased by 1.2 percent.

The loss of 14.5 percent of the lower-cost hydropower resources used to satisfy the Utility's needs, would force the City to increase market purchases to meet supply-side requirements. Even with the availability of lower-cost SLCAIP allocations, the Utility has raised rates by 21 percent in the last two years. A loss of the SLCAIP allocation in 2024 would conservatively translate to another rate increase of 2.7 percent alone just to replace this hydropower resource with market power. This rate increase would be additive to a 5 percent rate increase set for July 2019 and a 2.5 percent rate increase established for each July thereafter.

The City is focused on responsible growth and economic development plans. The core elements of this plan positions the City as the Southern gateway to the region, with an emphasis on the transportation infrastructure benefits of the Interstate 1-11 corridor, the availability of significant real estate in the City's ownership for public-private partnerships, reliance on municipally-delivered renewable electricity at stable prices and a local economy independent of the casino-resort industry. Despite these efforts, the Utility's residential and commercial growth prospects are not expected to dramatically change, and accordingly new service connections is not the answer to the impact of a loss of the SLCAIP allocation. Moreover, a nearly 15 percent reduction in lower-cost SLCAIP resources will further complicate the City's efforts at economic development and diversification by making the cost of electricity more expensive to businesses or governments that might locate or expand in the municipality. Disrupting the Utility's hydropower allocations could have a material adverse impact on the City to the detriment of efforts to grow this region of the State of Nevada.

26. In its application, **City of Las Vegas** requested for the Summer Season 1,000 kW of capacity and 4,380,000 kWh of energy and for the Winter Season 2,000 kW

of capacity and 8,760,000 kWh of energy. Staff noted that CLV has not previously had a SLCAIP allocation and further noted that CLV was requesting an amount of energy that would equate to a 100% capacity factor[1] which is not consistent with either the Commission's Federal SLCAIP allocation or the allocations of the Commission's other customers. Using CLV load data, staff calculated an appropriate level of capacity within CLV loads and resources, as well as what could be scheduled and delivered with minimum administrative burden. Thereafter, Staff revised the request to the appropriate capacity factor (41- 42%), whereby the capacity requested was modified and the energy requested was decreased, namely for the Summer season 1,500 kW of capacity and 2,729,689 kWh of energy and for the Winter Season 1,972 kW of capacity and 3,616,166 kWh of energy.

27. CLV stated in its response to Section 3 that:

> Since 2009, the City of Las Vegas' renewable energy program has met the goal of providing the greatest possible benefit to the state through economic development through direct job creation, environmental protection through the use of clean power, and reductions in wastewater treatment expenses for the City of Las Vegas. For a municipal government, the City has consistently led the region in renewable energy production and greenhouse gas mitigation through solar energy production. In December 2016, the City announced that through a Renewable Energy Agreement with NV Energy, it receives 100 percent of the energy it needs from renewable sources for its retail load, most coming from Boulder Solar, a solar facility near Boulder City, Nevada, in addition to the City's solar installations at forty city buildings and facilities, parks, fire stations and community centers and a three megawatt solar plant at the city's Water Pollution Control Facility provides power for wastewater treatment. In addition, the City receives Hoover Schedule A and D hydropower allocations through the Commission and WAPA.

[1] The capacity factor is defined as the ratio of the total actual energy supplied over a definite period, to the energy that would be produced if the plant (generating unit) was operating continuously at the maximum output.

> Together, this renewable energy generated and received contributes toward City Council's net-zero energy goals enumerated in the 2017 Resolution on Community Resilience, Net-Zero Energy and Sustainability (R-32-2017). The power reduces energy consumed from non-renewable source, emissions, and annual utility expenses by $5 million, and the City similarly believes SLCAIP hydropower will further reinforce and support the City's strategy at its wastewater treatment facilities while meeting the State and Commission's goal to provide the maximum benefit possible to the state's southern region. In order to optimize facility performance and operation, this hydropower will contribute to a long-term reduction of annual electric expenses by while increasing the share of cheaper green power used for these facilities.
>
> The City of Las Vegas respectfully requests the Commission's consideration of this application in an effort to build a resilient, sustainable, and diverse community and economy for Southern Nevadans.

28. In its application, **Overton Power District No. 5** requested for the Summer Season 6,593 kW of capacity and 14,563,065 kWh of energy and for the Winter Season 8,669 kW of capacity and 19,292,475 kWh of energy. Staff noted that OPD has a current SLCAIP contract and that the requested amounts were an increase to OPD's current allocation.

29. OPD stated in its response to Section 3 that:

> Overton Power District No. 5 was formed by the State of Nevada in 1935 as a non-profit quasi-municipal special improvement district. The District's service territory is approximately 2,000 sq. miles and encompasses the northeast quadrant of Clark County Nevada which includes the City of Mesquite, and the unincorporated towns of Bunkerville, Logandale, Moapa, and Overton. The District also serves the Moapa Band of Paiutes, Valley of Fire State Park, and the northeast portion of Lake Mead Recreational Area. The District has procured hydro power contracts through the Colorado River Commission for more than 80 years. These contracts help provide energy to a variety of rural Nevadans including resorts, mining, residential, manufacturing, agricultural, water districts, school districts, State and Federal agencies, and other retail customers. The District provides service to many retired and fixed income customers who rely on affordable power. The current SLCAIP allotment allows us the opportunity to blend the low cost of hydro with our other resources to keep our rates under the state average per kilowatt hour cost. Any reduction in our current SLCAIP allotment could

> be detrimental to Nevada's rural residents, businesses, and recreational visitors.

30. In its application, **Valley Electric Association, Inc.** requested that all of the Commission's SLCAIP capacity and energy be allocated to it. Staff noted that VEA has a current SLCAIP contract and that the requested amounts would be a substantial increase to VEA's current allocation.

31. VEA stated in its response to Section 3 that:

> The allocation of the requested resources to Valley Electric Association, Inc. (VEA) will achieve the greatest possible benefit to the state for the following reasons:
>
> • This economical, reliable renewable power resource, if granted to Valley Electric Association, would take the place of less affordable and environmentally friendly resources and goes further in serving consumers in need than anywhere else in Nevada. In fact, it would be difficult to imagine a better source for the allocation of resources than VEA.
> • More than 90 percent of the consumers of VEA power reside in Nye County, which is among the more economically depressed counties in the state.
> • According to recent census data, the median income for a household in Nye County is $41,000 and the median family income is $50,000. By comparison, the median household income statewide is $55,750, and the median family income is approximately $64,500.
> • Only two of Nevada's 17 counties rank below Nye, and one of them (Esmeralda) also is in the VEA service territory.
> • Nye County fares a little better nationally, but not much. In the United States, the median household income is about $52,000, and family income is $63,000.
> • As a result, energy expenses take up a far greater percentage of household Income of residents of Nye County than households elsewhere in the state.
> • Affordable hydropower has contributed to more than a 20% increase in VEA's load since 2010 and it will help drive a projected annual average load growth of 11 percent through 2034.
> • The allocated hydropower resources will help VEA to continue to directly contribute to the economy of Nye County, which it has been doing by increasing employment by more than 100% since the depths of the last recession.

- The additional hydropower will help VEA continue to invest in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes, schools and businesses.
- It will also help VEA continue to make investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.
- It will help VEA continue its Lighthouse Assistance Program, providing up to $200 tor low income senior members in having difficulty paying their electric bill.
- This resource also helps make the renewable energy we take from the Community Solar Project (15 MW photovoltaic generator located in Pahrump, NV) viable by shaping and firming it.
- Finally, it will also help VEA continue a decade-long tradition of awarding hard - working students with currently in excess of $10,000 in academic, vocational / technical, and continuing education scholarships to assist members and their families as well as help continue VEA's successful energy saving solar water heater & irrigation efficiency pump testing programs.

VEA Is always searching for additional renewable power resources at affordable rates, not because it serves the Interests of investors but because it directly benefits our members, who are also our owners. If allocated lo VEA, these resources will provide the greatest possible benefit to Nevada by keeping more money, jobs and investments for the future in the state economy.

The loss of our existing reliable, affordable and renewable SLCAIP hydropower allocation would impact VEA's ability to provide the aforementioned benefits (see above), to the detriment of the state. If these resources are not allocated to VEA, it will diminish our ability to maintain rate stability and keep more money, jobs and investments for the future in the state economy. More explicitly:

- It will diminish our ability to provide reliable, affordable and environmentally friendly electricity to consumers in need in one of the most economically depressed areas of Nevada.
- It will diminish our ability to make further investment, in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes. schools and businesses.
- It will diminish our ability to make further investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.
- It will diminish our ability to maintain or increase our current employment levels.

> • It will diminish our ability to provide assistance lo low income members experiencing difficulty paying their electric bill as well as diminish our ability to provide energy efficiency programs.

32. Staff performed analyses and reviewed various scenarios to look for a reasonable allocation that provided the best possible benefit for the state.
33. Staff looked at the total hydropower allocations of all four applicants, including hydropower from the Boulder Canyon Project and the Parker-Davis Project.
34. Staff noted, and the Commission concurs that an allocation to the CLV would require a decrease in the allocations to the three current SLCAIP contractors, BC, OPD and VEA.
35. A small allocation to the CLV would expand the benefits of SLCAIP hydropower to CLV and would help further its renewable energy goals.
36. A small allocation to CLV would require a reduction of approximately 7.2% (.0719) in the current SLCAIP allocations held by BC, OPD and VEA.
37. In balancing the benefit to CLV versus the reduction in allocations to the current contractors, the Commission finds that the minimal reduction to the current contractors in order to allow the advantages of SLCAIP hydropower to be utilized by CLV, is in the best interest of the state.
38. On July 24, 2018, Staff provided a draft copy of this Order to all four applicants and requested written comment on the draft by August 14, 2018.
39. The Commission received no written comments on the Draft Order.
40. The Commission conducted a public hearing on September 11, 2018 at which Staff, and ______ provided testimony.

41. The Commission found the oral testimony and the written statements contained in each Application compelling.
42. The Commission further determined that BC, CLV, OPD and VEA should each receive an allocation of the SLCAIP hydropower.

CONCLUSIONS OF LAW

1. The Commission has the authority through NRS and NAC Chapters 538 to allocate hydropower resources.
2. An allocation of the SLCAIP hydropower resources to all four applicants provides the greatest possible benefit to the state.
3. Pursuant to NRS 704.787, the City of Las Vegas must use its SLCAIP allocation for its water and wastewater operations.

ORDER

CAUSE APPEARING THEREFORE:

IT IS HEREBY ORDERED that:

1. The Salt Lake City Area Integrated Projects (SLCAIP) Hydropower Post 2024 is hereby allocated as follows:

	Summer		Winter	
	Capacity	Energy	Capacity	Energy
Applicants	kW	kWh	kW	kWh
City of Boulder City	5,138	9,350,439	6,755	12,387,030
City of Las Vegas	1,500	2,729,689	1,972	3,616,166
Overton Power District No. 5	5,828	10,605,104	7,662	14,049,151
Valley Electric Association, Inc.	8,385	15,259,268	11,025	20,214,772
Total:	20,851	37,944,500	27,414	50,267,119

2. Upon execution of this Order, Staff will cause to be published the notice required by NRS 538.181(4) and NAC 538.455(10).
3. Applicants who have received an allocation of SLCAIP hydropower must execute contracts within sixty (60) days of the date of the formal offer from the Executive Director of the allocated resource. Formal offers are sent following the publication required in paragraph 2, supra.

Dated this ______ day of September 2018.

BY THE COMMISSION:

____
PUOY K. PREMSRIRUT
CHAIRWOMAN

Notice and Invitation
SLCAIP

COLORADO RIVER COMMISSION
OF NEVADA

June 14, 2018

NOTICE AND INVITATION TO APPLY FOR THE ALLOCATION OF SALT LAKE CITY AREA INTEGRATED PROJECTS (SLCAIP) HYDROPOWER POST 2024 AND APPLICATION FOR ALLOCATION OF POWER

The Colorado River Commission of Nevada (CRCNV) hereby notifies all interested parties that certain hydropower resources have become available for allocation. Interested parties should review the available resources, the criteria for the allocation and the attached application form.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

Resource Available:

All, or a portion of, CRCNV's allocation of Salt Lake City Area Integrated Projects (**SLCAIP**) capacity and energy based upon its allocation of **20,851** kW of capacity and **37,944,500** kWh of energy (Summer Season) and **27,414** kW of capacity and **50,267,119** kWh of energy (Winter Season) and associated transmission required for delivery of the resource from October 1, 2024 through September 30, 2057.

555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065
Phone: (702) 486-2670
Fax: (702) 486-2695
http://crc.nv.gov

Criteria to be Used by the CRCNV in the Allocation of the Resource:

1. The award of resources to the Applicant will achieve the greatest possible benefit to the state including but not limited to:
   a. Economic development, including but not limited to, job creation, development in, and/or support of, economically disadvantaged areas or rural communities.
   b. Support of public entities including but not limited to, public entities engaged in natural resource management or reductions in expenses for a public entity.
2. The award of resources to the Applicant will not place an undue administrative burden on the CRCNV.
3. The Applicant must be an entity that the CRCNV has the ability to serve under NRS 704.787.
4. If the Applicant is:
   a. An electric utility, it must satisfy the requirements of NAC 538.410(5) which states that the electric utility must:
      i. Have a load that:
         1) Has a peak demand of at least 8 megawatts; and
         2) Is located within Western's defined marketing area in this State for the Boulder Canyon Project, Parker-Davis Project or Southern Division of the Salt Lake City Area Integrated Projects; and
      ii. Be qualified to receive preference power under the applicable provisions of federal law relating to preference power; or
   b. An entity that is a qualified Applicant under NRS 704.787(b), the entity must certify that any power awarded will be used for its water and wastewater operations.
5. The Applicant must have sufficient load to fully utilize the allocated resource, in addition to existing hydropower resources contracted for with the CRCNV.
6. An Applicant requesting an allocation of SLCAIP resource must be able to accept a minimum SLCAIP schedule of 1 MW off-peak.

7. The Applicant must be willing to execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.
8. The Applicant must demonstrate, by June 1, 2024, that it will have all necessary transmission, scheduling and distribution arrangements in place prior to delivery.
9. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.
10. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.
11. The Applicant must be able to make its own, independent assessment of the need for the additional products offered under the SLCAIP Contract including Western Replacement Power (WRP) and Customer Displacement Power (CDP).
12. The Applicant must be creditworthy and in compliance with its current Commission contracts and may be required to post collateral in accordance with and subject to any exceptions, conditions or exemptions in the CRCNV's statutes and regulations.

Application Form and Submission Dates:

The Application Form is attached to this Notice and is available on the CRCNV's website at www.crc.nv.gov. The completed Application may be submitted between June 25, 2018 and July 16, 2018. Applications should be addressed to the Executive Director and submitted:

- By email addressed to: crcpower@crc.nv.gov;
- By fax to (702) 486-2695; or
- By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

Questions about this process should be directed to: crcpower@crc.nv.gov

Colorado River Commission of Nevada
Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. Applicant Information. Please provide the following:

a. Name and address of entity/organization requesting and allocation:

Entity Name	
Address	
City, State, Zip	

b. Person(s) representing Applicant:

Contact Person Title	
Address	
City, State, Zip	
Telephone	
Fax	
Email Address	

c. Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?

Yes	No

d. Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?

Yes	No

e. Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.

Kilowatts (summer)	*Kilowatts (summer)*
Kilowatts (Winter)	*Kilowatts (winter)*

2. <u>Applicant Data:</u>

Historical Demand:

a. **Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018.** ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	**Nov. 2015**	**Dec. 2015**	**Jan. 2016**	**Feb. 2016**	**Mar. 2016**
Demand (kilowatts)						
	Apr. 2016	**May 2016**	**Jun. 2016**	**Jul. 2016**	**Aug. 2016**	**Sept. 2016**
Demand (kilowatts)						

Federal Fiscal Year 2017						
	Oct. 2016	**Nov. 2016**	**Dec. 2016**	**Jan. 2017**	**Feb. 2017**	**Mar. 2017**
Demand (kilowatts)						
	Apr. 2017	**May 2017**	**Jun. 2017**	**Jul. 2017**	**Aug. 2017**	**Sept. 2017**
Demand (kilowatts)						

Federal Fiscal Year 2018						
	Oct. 2017	**Nov. 2017**	**Dec. 2017**	**Jan. 2018**	**Feb. 2018**	**Mar. 2018**
Demand (kilowatts)						
Demand (kilowatts)						

b. Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

NERC Off-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)						
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above						

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

3. **<u>Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.</u>** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

4. **<u>Creditworthiness</u>:**

a. **If the Applicant is publicly traded, provide exchange and symbol:**

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

c. **Provide the Applicant's most recent bond and credit rating if available:**

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

5. **<u>Other Information</u>:**

The Applicant may provide any other information pertinent to the application.

6. **<u>By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:</u>**

i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

ii. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

iii. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.

7. **<u>Signature</u>:**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature________________________________ Title_____________________________

Print Name______________________________

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018**.

<u>No applications will be accepted after 5:00 p.m. PDT on:</u>

MONDAY, JULY 16, 2018

NOTE ON SUBMITTAL OF CONFIDENTIAL OR COMMERCIALLY SENSITIVE INFORMATION TO THE COLORADO RIVER COMMISSION OF NEVADA

The Colorado River Commission of Nevada, as a State agency, is subject to the Public Records Law of Nevada, Nevada Revised Statutes (NRS), Chapter 239, which provides for public access upon request to all records, data and information in the possession of a state agency.

As a result, all Applications and all data or information supplied to the Commission in support of an Application will be considered "public records" subject to public disclosure upon request.

Further, the Colorado River Commission of Nevada is also subject to the Open Meeting Law, Nevada Revised Statutes (NRS) chapter 241.

The contents of the Applications will be discussed at a public meeting. Copies of the Applications and all data or information supplied to the Commission in support of an Application will be available to the Commissioners and staff, as back up material, at the Commission meeting where the applications are discussed. Any member of the public requesting copies of the backup materials will be provided them.

Any Applicant desiring to discuss issues concerning potentially confidential or sensitive information should contact the Commission through:

Christine Guerci-Nyhus
Special Counsel
(702) 486-3505
cguerci@crc.nv.gov

SLCAIP HYDRPOWER POST 2024
APPLICANT

City of Boulder City

Colorado River Commission of Nevada
Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. **Applicant Information. Please provide the following:**

a. **Name and address of entity/organization requesting and allocation:**

Entity Name	City of Boulder City, Nevada, a municipal corporation (hereinafter the "City")
Address	401 California Avenue
City, State, Zip	Boulder City, Nevada 89005

b. **Person(s) representing Applicant:**

Contact Person Title	Rory Dwyer, P.E., Electric Utility Administrator, Boulder City Municipal Electric Utility Dept.
Address	401 California Avenue
City, State, Zip	Boulder City, Nevada 89005
Telephone	702.293.9231
Fax	702.293.9438 (Note: Not in regular use; please use email)
Email Address	rdwyer@bcnv.org

c. **Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?**

Yes X	No

d. **Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?**

Yes	No X

e. **Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.**

Kilowatts (summer) 5,537 kW	*Kilowatts (summer)* 9,278,621 kWh
Kilowatts (Winter) 7,279 kW	*Kilowatts (winter)* 12,291,807 kWh

2. <u>Applicant Data:</u>

Historical Demand:

a. **Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018.** ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016
Demand (kilowatts)	33,341	21,539	23,447	22,322	23,312	16,917
	Apr. 2016	May 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sept. 2016
Demand (kilowatts)	22,721	34,350	48,508	50,759	44,570	38,927

Federal Fiscal Year 2017						
	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Demand (kilowatts)	26,526	19,630	21,833	22,801	18,417	20,235
	Apr. 2017	May 2017	Jun. 2017	Jul. 2017	Aug. 2017	Sept. 2017
Demand (kilowatts)	21,042	34,494	50,133	50,946	46,176	43,589

Federal Fiscal Year 2018						
	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018
Demand (kilowatts)	24,878	16,456	20,471	19,673	20,385	17,714
Demand (kilowatts)						

b. **Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.**

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	**Nov. 2015 kWh**	**Dec. 2015 kWh**	**Jan. 2016 kWh**	**Feb. 2016 kWh**	**Mar. 2016 kWh**
Hoover (kWh)	5,091,040	4,994,329	5,075,090	5,022,780	4,472,020	4,785,710
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,643,000	1,389,000	1,640,000	1,717,000	1,612,000	1,683,000
Purchased Power (kWh)	1,200,669	(245,107)	918,395	278,031	13,917	(348,882)
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	49,926	40,633	36,501	40,267	41,119	57,112
On-Peak Load (kWh) Total of resources above	7,984,634	6,178,855	7,669,986	7,058,077	6,139,057	6,176,940
	Apr. 2016 kWh	**May 2016 kWh**	**June 2016 kWh**	**July 2016 kWh**	**Aug 2016 kWh**	**Sep. 2016 kWh**
Hoover (kWh)	5,905,740	6,411,530	7,166,170	6,481,890	5,165,920	5,410,590
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,098,000	961,000	1,118,000	1,236,000	1,286,000	1,032,000
Purchased Power (kWh)	(736,698)	(1,727)	4,736,127	5,749,113	6,397,722	2,729,664
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	60,595	63,925	61,718	57,863	56,570	54,701
On-Peak Load (kWh) Total of resources above	6,327,637	7,434,728	13,082,015	13,524,866	12,906,211	9,226,955

Federal Fiscal Year 2017

	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	4,287,170	4,514,970	4,060,700	4,101,560	4,041,990	5,328,510
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,582,000	1,481,000	1,812,000	1,667,000	1,595,000	1,677,000
Purchased Power (kWh)	1,114,762	(42,171)	1,305,749	1,101,824	(42,289)	(745,310)
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	51,601	41,996	37,725	41,618	42,499	58,143
On-Peak Load (kWh) Total of resources above	7,035,532	5,995,795	7,216,175	6,912,002	5,637,200	6,318,344

	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	4,836,390	6,354,230	7,200,160	7,157,480	5,476,920	4,832,930
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,056,000	1,281,000	1,051,000	1,147,000	1,286,000	1,032,000
Purchased Power (kWh)	(61,491)	450,128	4,538,944	4,981,684	6,218,410	3,103,681
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	61,689	65,079	62,832	60,468	60,214	57,193
On-Peak Load (kWh) Total of resources above	5,892,588	8,150,438	12,852,936	13,346,631	13,041,544	9,025,804

Federal Fiscal Year 2018

	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	4,494,748	4,327,270	4,706,150	3,659,630	4,329,080	4,399,710
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	1,526,000	1,286,000	1,555,000	1,684,000	1,484,000	1,678,000
Purchased Power (kWh)	366,795	(43,645)	94,192	941,531	(39,117)	(59,870)
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	53,951	43,909	42,048	46,385	47,368	64,804
On-Peak Load (kWh) Total of resources above	6,441,494	5,613,534	6,397,390	6,331,546	5,821,331	6,082,645

NERC Off-Peak Period

Federal Fiscal Year 2016

	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)	0	408,100	0	578,300	2,082,250	2,525,110
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	421,000	491,000	596,000	671,000	483,000	752,000
Purchased Power (kWh)	3,761,517	3,787,390	4,921,129	4,259,643	1,303,634	291,618
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	4,182,517	4,686,490	5,517,129	5,508,943	3,868,884	3,568,728
	Apr. 2016 kWh	**May 2016 kWh**	**June 2016 kWh**	**July 2016 kWh**	**Aug 2016 kWh**	**Sep. 2016 kWh**
Hoover (kWh)	2,352,460	695,250	0	0	0	0
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	460,000	433,000	510,000	566,000	639,000	549,000
Purchased Power (kWh)	676,837	3,556,124	6,034,516	7,636,882	5,762,640	4,625,532
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	3,489,297	4,684,374	6,544,516	8,202,882	6,401,640	5,174,532

Federal Fiscal Year 2017

	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	0	1,698,190	0	779,814	247,910	2,153,045
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	481,000	399,000	424,000	721,000	491,000	758,000
Purchased Power (kWh)	3,730,087	1,792,016	4,710,378	3,784,169	2,909,796	687,183
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	4,211,087	3,889,206	5,134,378	5,284,983	3,648,706	3,598,228

	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	3,123,170	1,481,000	0	0	0	0
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	502,000	759,000	577,000	655,000	639,000	549,000
Purchased Power (kWh)	103	2,264,553	5,738,464	7,867,279	5,913,132	4,843,579
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	3,625,273	4,504,553	6,315,464	8,522,279	6,552,132	5,392,579

Federal Fiscal Year 2018

	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	11,670	1,410,440	100,930	0	1,638,010	2,376,350
Parker-Davis (kWh)	0	0	0	0	0	0
SLCAIP (kWh)	538,000	589,000	680,000	704,000	611,000	757,000
Purchased Power (kWh)	3,297,696	1,623,254	4,052,991	3,645,297	1,556,462	604,512
Fossil Fueled Generation (kWh)	0	0	0	0	0	0
Renewable Resources (kWh)	0	0	0	0	0	0
On-Peak Load (kWh) Total of resources above	3,847,366	3,622,694	4,833,921	4,349,297	3,805,472	3,737,862

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

See Schedule 1.

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

Boulder City Tap; Mead Substation

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

See Schedule 1.

3. **Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

See Schedule 1.

4. Creditworthiness:

a. **If the Applicant is publicly traded, provide exchange and symbol:**

Not applicable.

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

Not applicable.

c. **Provide the Applicant's most recent bond and credit rating if available:**

See Schedule 1.

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

See Schedule 1.

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

See Schedule 1.

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

None

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

See Schedule 1.

5. Other Information:

The Applicant may provide any other information pertinent to the application.

See Schedule 1

6. **By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:**

   i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

   ii. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

   iii. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.

7. **Signature:**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature Rory Dwyer Title Electric Utility Administrator

Print Name Rory Dwyer

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018.**

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

FENNEMORE CRAIG
ATTORNEYS

Dan R. Reaser
dreaser@fclaw.com

300 E. Second Street, Suite 1510
Reno, NV 89501
PH (775) 788-2226 | **FX** (775) 788-2227
fennemorecraig.com

July 16, 2018

ELECTRONIC & U.S. MAIL

Jayne Harkins, Executive Director
COLORADO RIVER COMMISSION OF NEVADA
555 E. Washington Avenue, Suite 3100
Las Vegas, Nevada 89101
crcpower@crc.nv.gov

Re: **APPLICATION FOR ALLOCATION OF POST-2024 SLCAIP HYDROPOWER**;
Application of the City of Boulder City, Nevada

Dear Executive Director Harkins:

On behalf of our client, the City of Boulder City, Nevada (the "**City**"), we submit the accompanying Application for Allocation of Salt Lake City Area Integrated Projects Power (the "**Application**"), in accordance with the Notice and Invitation to Apply issued by the Colorado River Commission of Nevada (the "**Commission**"), and published on June 14, 2018. In the event of any questions or requests for information related to the City's Application, please contact either of the following representatives of the City:

Rory Dwyer, Electric Utility Administrator
BOULDER CITY ELECTRIC UTILITY DEPARTMENT
Telephone: 702.293.9231
Email: rdwyer@bcnv.org

Dan R. Reaser
FENNEMORE CRAIG, P.C.
Telephone: 775.788.2226
Email: dreaser@fclaw.com

The City appreciates the opportunity to submit the Application to the Commission Should you have any questions, or require additional information, please advise.

Sincerely,

Dan R. Reaser

Dan R. Reaser

Enclosure (1)
cc: Craig Pyper
Rory Dwyer

SCHEDULE 1

SCHEDULE 1

CITY OF BOULDER CITY, NEVADA
SLCAIP APPLICATION FOR ALLOCATION OF POWER
JULY 16, 2018

SCHEDULE 1

Question 2(b). Applicant's Power Resources.

The City notes that certain data in the tables in this section of the Application are stated in negative numbers. This is a result of the pricing and timing of balancing trades through the City's scheduling energy deliveries through the Western Area Power Administration. The negative values do not reflect that the City would not be able to place the requested SLCAIP allocation to full and continuous beneficial use. The City believes that the CRC is aware of this situation. If the City is in error concerning CRC's understanding of this on-peak trading issue, please advise.

Question 2(c). Future Demand.

The Boulder City Municipal Electric Utility Department (the "**Utility**"), experienced an 0.8 percent average annual change in peak demand during the preceding five years. *See* Boulder City Municipal Electric Utility Department, 2018-2022 Integrated Resource Plan, at 11 (Adopted July 10, 2018)(the "**City IRP**")(**Attachment A**, *infra*). The City's residential population growth has averaged 0.5 percent during the preceding five years, and under existing growth ordinances this should remain the case. Residential service accounts for about 64 percent of the Utility's demand-side requirements.

Commercial customers account for almost 19 percent of the Utility's customers with government, nonprofit, educational and customers accounting for 14 percent of demand-side requirements. Business activity expansion within the City has remained fairly consistent at 0.65 percent annually in the preceding five years. The City's economic development initiatives might result in modest increases in business peak demand, but the City expects business, commercial and government growth to range between 3.0 to 3.5 percent in the next five years.

Question 2(e). Ability to Use.

The City is a current contractor of the Colorado River Commission of Nevada (the "**CRC**"), and receives a SLCAIP allocation under Renewal Contract No. P14-52R, effective October 1, 2004, in the range of approximately 22.9 to 23.0 million megawatt hours annually. The Utility uses the existing SLCAIP allocation to satisfy between 16.2

percent (Summer) and 21.5 percent (Winter) of the utilities non-market supply-side requirements. In 2017, the SLCAIP allocation accounted for 14.5 percent of the Utility's energy requirements. The City is able to immediately receive and place to similar and full beneficial use by the Utility a Post-2024 SLCAIP allocation.

Question 3. Statement on Benefit.

Receipt of a Post-2024 SLCAIP allocation is important to maintaining the stability of the Utility's operations which serves over 16,000 Nevadans, 580 local businesses and 61 federal, state and local government facilities. Among the CRC's hydropower customers, the City is one of the more effective users of these allocations to satisfy broad and significant public benefits to Nevadans and government. The CRC can confidently award a Post-2024 SLCAIP allocation to the City knowing from past performance that great "***actual***" (instead of just "***possible***") benefit will accrue to Nevada.

The availability of the SLCAIP allocation satisfies 14.5 percent of the resources the Utility deploys to provide electric service at reasonable rates with an emphasis on a renewable resource reliance. The Utility's ability to count on lower-cost clean hydropower for about 60 percent of the energy it sells, allows the City to support very meaningful low income energy assistance ("**LIEA**") programs. The City has done so for over 40 years and in 2017 provided 65 percent of the non-profit electric utility LIEA in the entire state. Likewise, the lower-cost hydropower provided through allocations like that made by the SLCAIP buoy the Utilities very dynamic energy efficiency rebate programs that have been available for over 27 years. *See* City IRP at 9.

The stable portfolio of lower cost hydropower used by the Utility also allows the City to entertain conservation and renewable energy initiatives through a net metering program, tiered rates and time of use metering. These initiatives permit the Utility to focus on encouraging wiser use of energy instead of allowing policies that generate higher demand to generate revenues. That these policy choices are working is shown by the fact that in the last five years while summer peak demand has increased by 0.8 percent annually, total energy consumption has decreased by 1.2 percent. *See* City IRP at 10-11.

The loss of 14.5 percent of the lower-cost hydropower resources used to satisfy the Utility's needs, would force the City to increase market purchases to meet supply-side requirements. Even with the availability of lower-cost SLCAIP allocations, the Utility has raised rates by 21 percent in the last two years. A loss of the SLCAIP allocation in 2024 would conservatively translate to a another rate increase of 2.7 percent alone just to replace this hydropower resource with market power. This rate increase would be additive to a 5 percent rate increase set for July 2019 and a 2.5 percent rate increase established for each July thereafter.

The City is focused on responsible growth and economic development plans. The core elements of this plan positions the City as the Southern gateway to the region, with an emphasis on the transportation infrastructure benefits of the Interstate I-11 corridor, the availability of significant real estate in the City's ownership for public-private partnerships, reliance on municipally-delivered renewable electricity at stable prices and a local economy independent of the casino-resort industry. Despite these efforts, the Utility's residential and commercial growth prospects are not expected to dramatically change, and accordingly new service connections is not the answer to the impact of a loss of the SLCAIP allocation. Moreover, a nearly 15 percent reduction in lower-cost SLCAIP resources will further complicate the City's efforts at economic development and diversification by making the cost of electricity more expensive to businesses or governments that might locate or expand in the municipality. Disrupting the Utility's hydropower allocations could have a material adverse impact on the City to the detriment of efforts to grow this region of the State of Nevada.

Questiou 4(c). Municipal Bond Rating.

The City's most recent municipal bond rating is Aa3 set on June 19, 2018 by Moody's. The City has current bonded debt of $27.315 million.

Question 4(f). Rate Setting Authority.

Yes. The City Council of Boulder City has the authority to establish an electric utility and set and collect rates for electric service. *See generally* NEV. REV. STAT. § 266.285. The City Council increased rates by 15 percent in 2016 and 6 percent in 2017. These rate increases have met increased operating costs and will fund $45 million in capital improvements for service efficiency and reliability in the next decade.

Question 4(h). Taxing Authority.

Yes. As a Nevada municipal corporation, the City has the general taxation powers accorded cities by the Nevada Legislature. *See generally* NEV. REV. STAT. §§ 266.600, .605.

Question 5. Other Information.

The City's history and economic vitality is very closely associated with the development of hydropower resources on the Colorado River. Because of that history, Congress and the Nevada Legislature have recognized that the City should be a special beneficiary of these resources. The City has built a stable electric service delivery model using these resources and demonstrated remarkable stewardship of the resources through the Utility. Awarding a Post-2024 SLCAIP allocation to the City continues that legacy with great tangible benefit to the State of Nevada, and avoids the detriments associated with withdrawing this resource from the City.

ATTACHMENT A

ATTACHMENT A

Boulder City Electric Utility

2018 - 2022

Integrated Resource Plan

Adopted
July 10, 2018

Table of Contents

1. Background Information and Public Process

Integrated resource planning is a planning process for new energy resources that evaluates the full range of alternatives, including:

- supply-side resources - such as generation facilities or purchased power contracts
- demand-side resources that reduce the need to acquire supply-side resources - such as energy efficiency improvements to the utility distribution system, customer incentive programs for purchase of energy efficient appliances, and net metering programs

As a recipient of federal hydro-power, the City of Boulder City must comply with the requirements of the Energy Planning and Management Program (10 CFR Part 905), including:

- preparation of an IRP document conforming to the requirements of the Western Area Power Administration (WAPA) every five years
- public participation in the IRP process
- submittal of annual IRP updates to WAPA

The draft CY 2018 – 2022 IRP was presented at the Boulder City Council Meeting on June 26, 2018. Public and Council comments and City Staff responses were included this document, which was posted on July 2, 2018 to the City's website at the following location:

http://www.bcnv.org/283

The City Council adopted this revised 2018 – 2022 IRP at its Public Meeting on Tuesday, July 10, 2018.

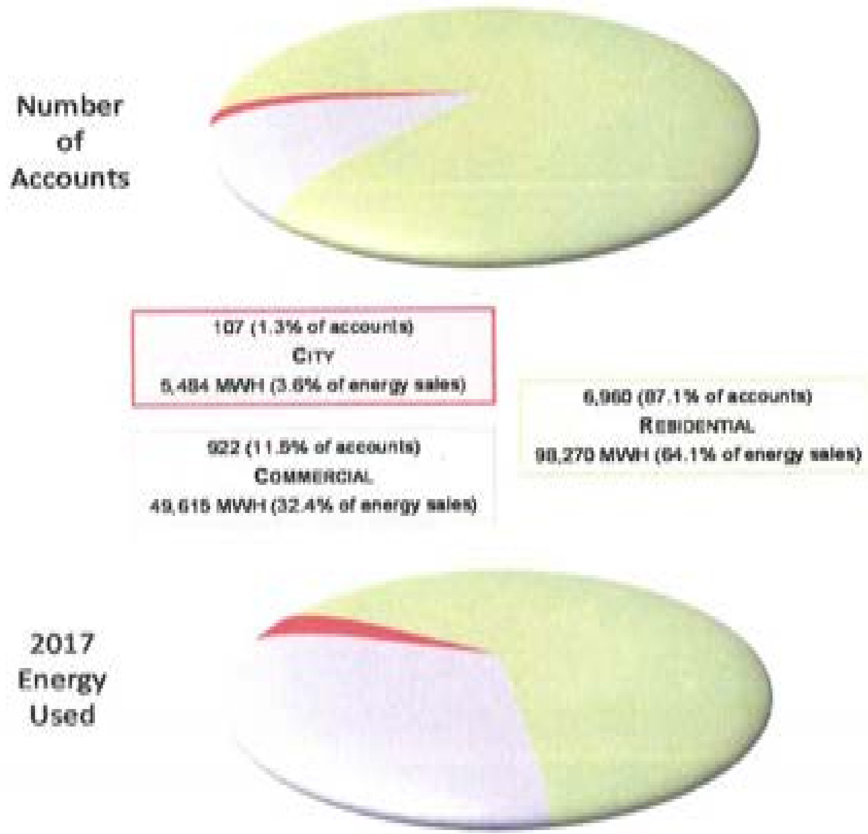
2. Utility/Customer Overview

The Municipal Electric Utility of the City of Boulder City (COBC) serves about 16,200 residents in the populated area of the City, about 35 of the 207 square miles of incorporated area. The unpopulated area southwest of the town site is served by NV Energy.

In accordance with Section 704.340 of the Nevada Revised Statutes, the Municipal Electric Utility is subject to the jurisdiction and approval of the Boulder City Council.

The Boulder City Electric Utility is a full-service provider (energy and delivery service) to ultimate customers. The Utility does not own or operate generation facilities.

<u>Key Customers and Significant Loads</u>



<u>Notes</u>

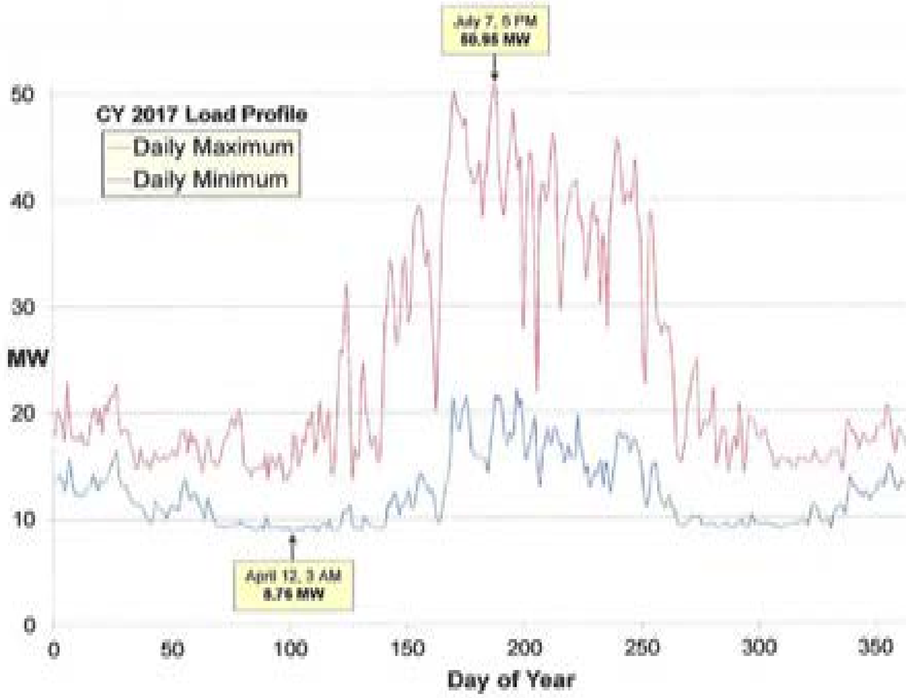
1. Calendar Year (CY) 2017 data.
2. The *Commercial* Service Class includes industrial, non-profit, and non-municipal government customers.

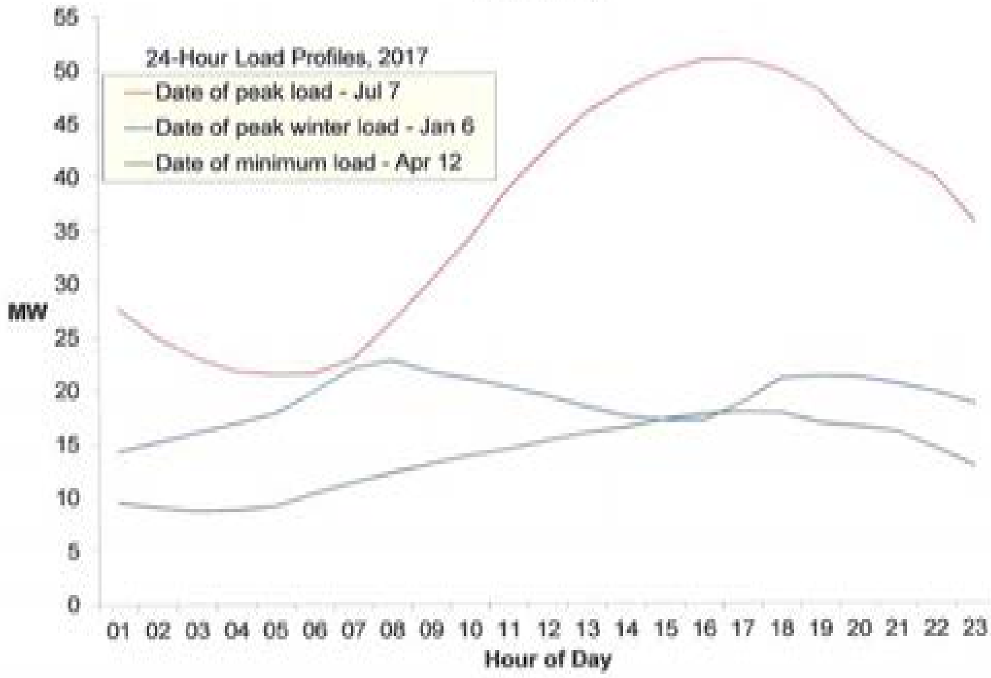
Customer Mix

% CY 2017 Energy Sold	Load Type
64.1%	**Residential**
46.4%	Detached homes
2.6%	Apartments
5.3%	Condominiums
0.8%	Duplex homes
4.6%	Mobile homes
4.3%	Manufactured homes
18.8%	**Commercial**
1.3%	Automotive sales, service, fuel
1.3%	General commercial
0.2%	Construction
1.9%	Food (retail and wholesale)
2.5%	Lodging
0.9%	Manufacturing
3.7%	Healthcare and assisted living
0.7%	Financial, real estate and other professional services
2.5%	General retail sales and services
3.8%	Eating and drinking establishments
6.4%	**Government**
2.0%	City (excluding airport, golf courses, utilities)
4.5%	County, State, Federal (excluding schools & research)
1.8%	**Utility**
0.8%	Municipal
1.0%	Non-municipal (including wireless)
3.1%	**Golf courses**
0.8%	City
2.3%	Private
4.2%	**Schools and other mixed Government/Commercial**
0.3%	Aviation
3.4%	Schools and daycare
0.5%	Research
1.5%	**Non-profit**
0.5%	Churches
1.0%	Charitable and social organizations
100.0%	**Total Energy**

Peak Drivers

Summer air conditioning load, especially residential, is the dominant driver of peak demand. The ratio of summer peak demand to yearly average demand is about 2.9 to 1 for feeders dominated by residential loads, and about 2.0 to 1 for feeders dominated by commercial loads.





Rates

Class	Description	Applies to	# Accts	Service Charge
RS	residential	single-family units	6,958	$10.00 (**2**)
RM	residential master-metered	five or more units	2	$50.00
GS	general service	service where no other schedule applies	914	$15.00
LGS	large general service	over 300 kW demand in 3 of last 12 months	6	$50.00
TOU	time-of-use	over 500 kW demand in 3 of last 12 months	2	$200.00
BCH	Boulder City Hospital	Boulder City Hospital	1	$25.00
MUN	municipal	City of Boulder City	107	$10.00
SL	sports field lighting	pole-mounted HID fixtures, minimum 10 kW	1	$50.00
AL	area lighting	all customers	70	$8.77-$17.55
LL	landscape lighting irrigation control	HOAs and PUDs	6	$8.77-$17.55

Class	Applies to	Energy Rate ¢ per kWh	% of kWh sales in class	Demand $ per kW
RS	1st 2000 kWh	9.05	90.7%	n/a
	2001 - 4000 kWh	11.92	7.20%	
	kWh > 4000	13.15	2.10%	
RM	All kWh	11.10	100%	
GS	1st 3000 kWh	10.70	83.3%	3.05 (**3**)
	kWh > 3000	12.09	16.7%	
LGS	All kWh	13.58	100%	3.05
TOU (**4**)	Summer On-Peak	16.72	34.6%	14.33
	Summer Off-Peak	11.88	35.2%	4.78
	Non-Summer	13.43	30.2%	3.05
BCH	All kWh	9.13	100%	n/a
MUN	All kWh	4.00	100%	2.37 (**3**)
SL	All kWh	11.48	100%	n/a

Notes

1. Rates are effective for Fiscal Years 2018 and 2019 (July 1, 2017 – June 30, 2019).
2. Residential customers without AMR (radio-read) meters will be charged $25.00 per month after June 2018. Less than 0.2% of residential customers have selected this option.
3. A demand meter will be installed when billed energy exceeds 4,000 kWh in three months of previous 12 months. The demand charge applies to each kW above 10 kW.
4. Summer rates apply May through September. On-peak rates apply noon through 10 PM.

After almost seven years of no adjustments, electric rates were increased by 15% (effective October 2016), then by 6% (effective July 2017), to account for increased operating costs, fund approximately $45,000,000 of capital improvements over a ten-year period, and maintain adequate reserves.

The City provided four programs to reduce economic impact of electric increases on the City's utility customers: tiered rates, low income energy assistance, energy efficient appliance rebates, and 12-month averaged billing.

Tiered rates – the impact of tiered rates on customer costs is described in Section 4.

Low income energy assistance (LIEA) – most electric sales in Nevada are subject to Universal Energy Charge (UEC) of 0.0039%, which helps to fund the state's LIEA program. Over the last fiscal year, the State provided an average of $533 per eligible household.

However, Boulder City has funded its own separate energy assistance program for 40 years. Providing a 35% discount on residential energy and monthly service charges, the BCEAP is the most generous utility-funded energy assistance program in Nevada.

The following table lists LIEA metrics for Nevada's non-profit (NP) electric utilities in State Fiscal Year 2017. It shows that, although the City accounted for only 5% of NP energy sold, it provided 65% of the total NP LIEA assistance.

LIEA (Low Income Energy Assistance) Metrics – SFY17	Boulder City	Other NV non-profit utilities	Total	BC % Total
Total energy sales (Million $)	$14.408	$262.161	$276.569	5.2%
LIEA total provided ($)	$117,145	$33,161	$150,306	77.9%
LIEA customers assisted	298	163	461	64.6%

Energy Efficient Appliance Rebates are described in Section 4.

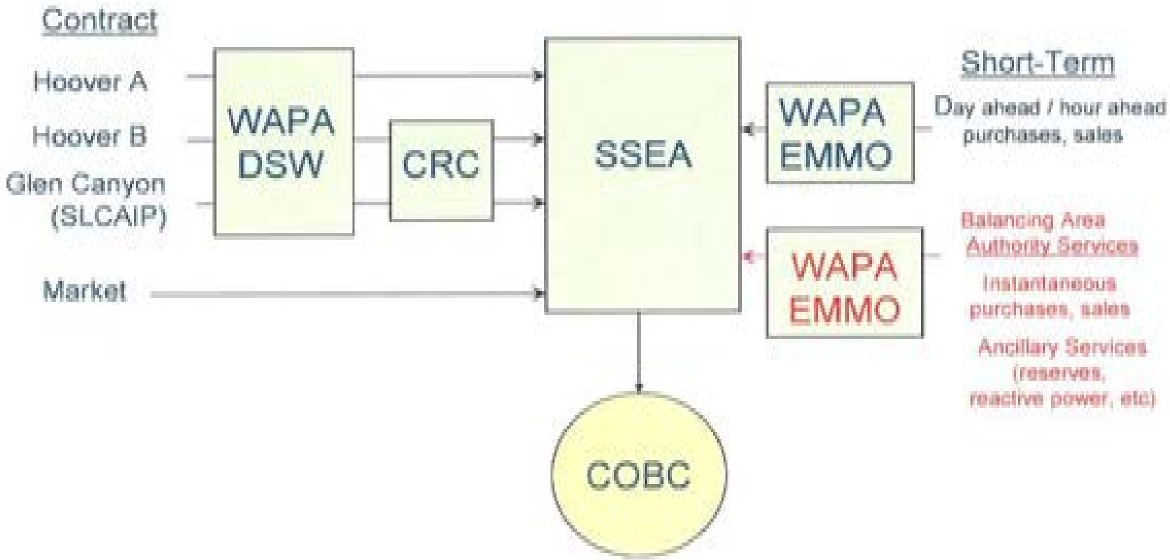
3. Existing Supply-Side Resources

Refer to Section 9 for descriptions of terms used in this section.

Purchased Power Contracts

Description	Capacity	Expiration
Hoover Schedule A	20.0 MW	2067
Hoover Schedule B	8.5 MW	2067
SLCAIP	5.5 MW (S) 7.3 MW (W)	2024
Market Energy (SSEA)	Varies	Varies

Business Relationships Related to Wholesale Power Services

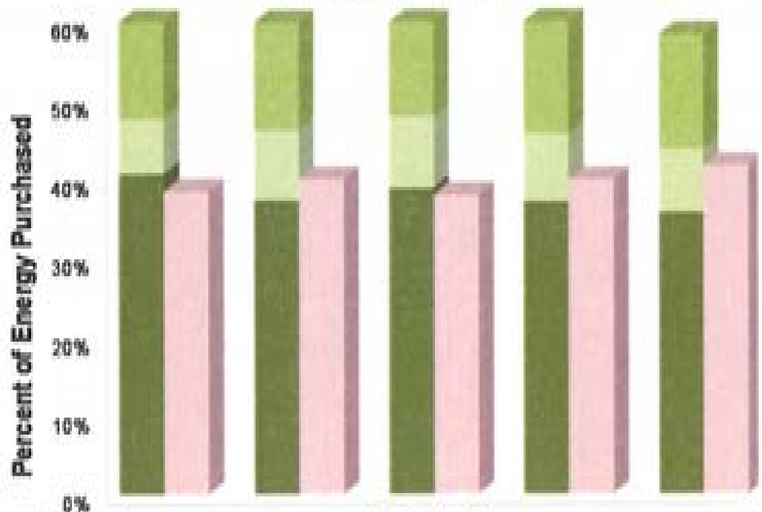


Energy Delivered by Resource

The charts on the following page illustrate the benefits of COBC's hydro resources:

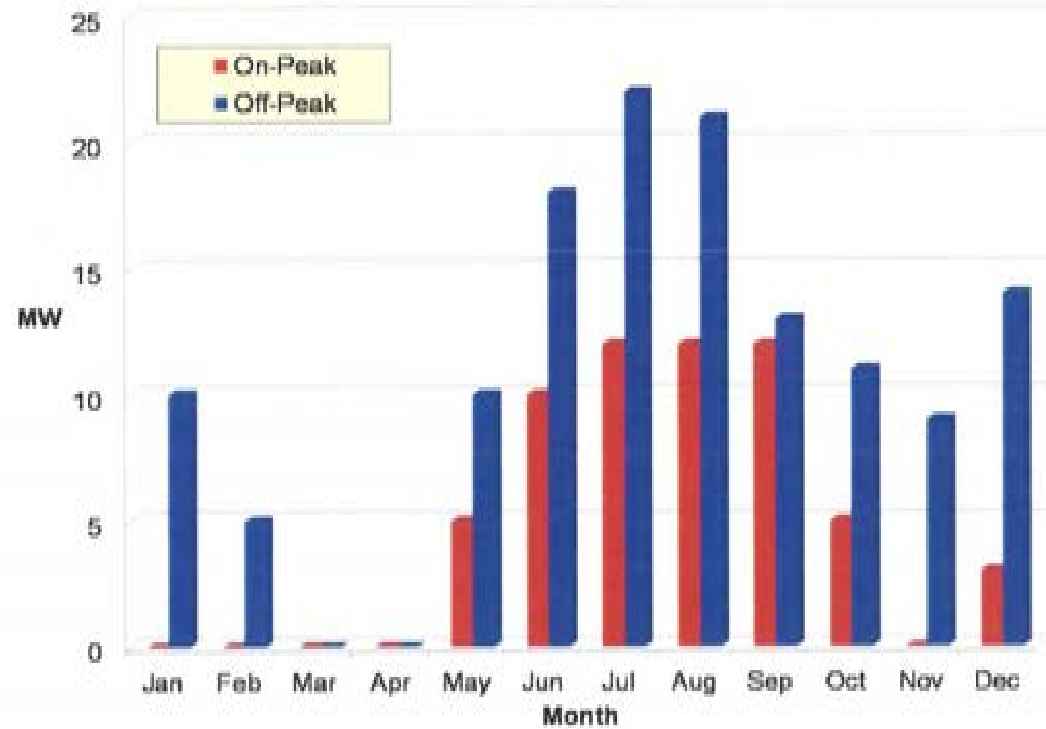
- Hydro provided over half (53% - 56%) of the City's energy requirement in each year of the preceding five years.
- Hydro deliveries are sufficient to supply the City's entire energy requirement during the spring months.
- Hydro deliveries can be scheduled such that most market purchases are made during off-peak periods. Zero net on-peak energy was purchased during five of 12 months in 2017.

Hydro & Market Energy Purchases
CY 2013 - 2017



Energy Purchased (MWH)		Calendar Year				
		2013	2014	2015	2016	2017
Hoover A		67,980	62,739	64,119	59,757	58,241
Hoover B		11,632	14,889	14,947	13,880	13,150
SLCAIP		22,985	22,986	22,986	22,985	23,617
SSEA Market		64,275	67,199	62,659	64,198	67,850

SSEA Net Contracted MW Purchased & Sold - CY 2017



4. Existing Demand-Side Resources

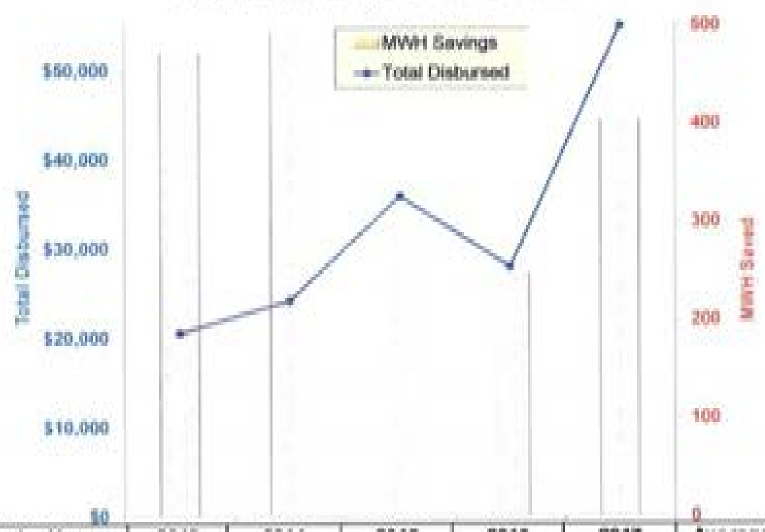
Energy Efficiency Rebate Program

Boulder City has been providing energy efficiency rebates to residents for 27 years. All residents, regardless of income, qualify for rebates for installation of certain appliances, subject to the restrictions described below:

- Air Conditioners: $70 per ton for installation of units with a S.E.E.R. rating between 14.0 and 14.9; $125 per ton for units with a S.E.E.R. rating of 15.0 or higher.
- Window Treatments: $0.50 per square foot for the installation on west-facing windows of solar screens, or window film (reflectivity not greater than 40%). The shading coefficient must not be greater than 0.4 for screens, or 0.45 for film.
- Water Heater: $200 for the installation of a solar or natural gas domestic water heating system with a minimum storage of 40 gallons, to supplement an electric domestic water heating system.
- Evaporative Coolers: $50 per 1,000 CFM for installation of units to supplement air conditioned living or serving spaces.
- Pool Pumps: $100 for the installation of a two-speed pump; $200 for the installation of a variable speed pump.

As indicated in the table below, the number of customer rebates and total rebate disbursements have increased significantly over the preceding five years.

Energy Efficiency Rebates 2013 2017



Calander Year	2013	2014	2015	2016	2017	Average
Number of Rebates	64	63	108	85	139	92
Total Disbursements	$20,548	$24,187	$35,823	$27,930	$54,951	$32,688
MWH Saved	472.4	494.0	286.8	247.9	403.5	380.9
MW Saved	0.49	0.51	0.41	0.75	1.28	0.69

Net Metering

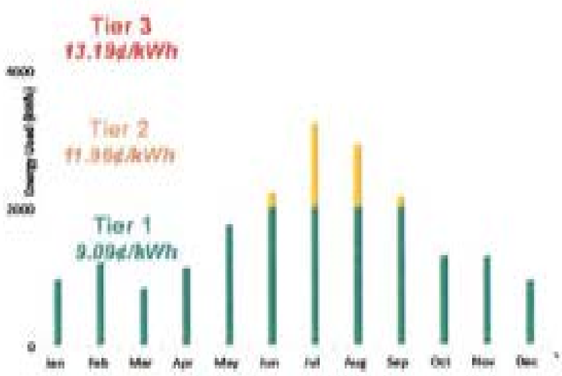
In 2010, COBC instituted a net metering program for residential and commercial solar and wind generators. At the end of CY 2017, a total of 394 kW (DC) of net metered generation was installed in the City, providing an estimated energy savings of 682 MWH in that year.

Net Meters	2013	2014	2015	2016	2017
Residential Meters	3	3	6	7	13
Commercial Meters	3	3	3	3	4
MWH Saved	587	587	607	618	682

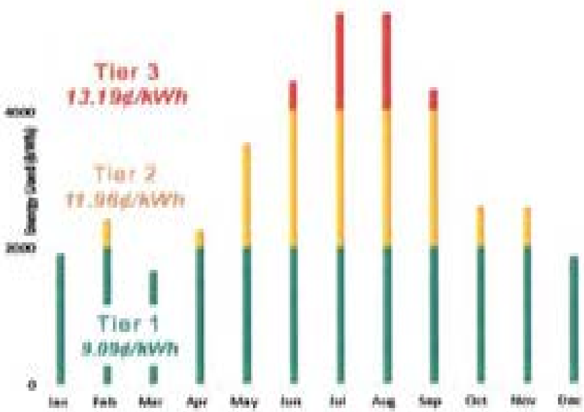
Two of the four commercial net meter systems, totaling 13 kW (DC), are installed in COBC facilities.

Tiered Rates

Tiered rates provide a conservation incentive as shown below.



Typical consumption for 1,500 SF residence
(average Boulder City size)
19,710 kWh/Yr
Average cost: <u>10.05 ¢/kWh</u>
including $10 monthly service charge



2.0 x consumption of average residence

39,420 kWh/Yr
Average cost: <u>10.71 ¢/kWh</u>
including $10 monthly service charge

Time-of-Use (TOU) Metering

TOU metering in Boulder City is required for commercial customers having a monthly demand exceeding 500 kW. Only two commercial customers in the City qualify for TOU metering.

5. Load and Price Forecast

Key Trends Affecting Resource Needs

Boulder City's population trend-line indicates recovery from the 2008 recession by 2013; population growth in the preceding five years has been 0.61% average per year. System summer peak demand has increased by an average of 0.8% per year while total energy consumption has decreased an average of 1.2% per year over the preceding five years.

Calendar	Population		Peak Demand		Energy Consumed	
Year	Est. (1)	Change	MW	Change	MWH	Change
2008	16,684		50.3		182,940.0	
2009	16,064	-3.7%	50.8	+1.0%	177,602.0	-2.9%
2010	15,359	-4.4%	49.7	-2.2%	169,855.0	-4.4%
2011	15,335	-0.2%	48.1	-3.3%	167,038.0	-1.7%
2012	15,759	+2.8%	49.2	+2.4%	169,043.0	+1.2%
2013	15,635	-0.8%	49.9	+1.3%	165,374.3	-2.2%
2014	15,627	-0.1%	47.4	-5.0%	161,970.2	-2.1%
2015	15,813	+1.2%	46.3	-2.3%	166,220.0	+2.6%
2016	16,298	+3.1%	50.8	+9.7%	162,798.3	-2.1%
2017	16,121	-1.1%	50.9	+0.4%	159,389.2	-2.1%
5-yr avg. annual change		+0.5%		+0.8%		-1.2%

(1) Governor Certified Population Estimates of Nevada's Counties, Cities and Towns 2000-2017

Forecast Basis

The estimated change in the City's energy requirement of the five year period 2018 - 2022 is based on three scenarios for residential unit additions:

- Low growth: 192 homes in currently approved subdivisions, three homes per year built on privately-owned, pre-existing building lots
- Midrange growth: 192 homes in currently approved subdivisions, 50 homes in subdivisions not currently approved, five homes per year built on privately-owned, pre-existing building lots
- High growth: 192 homes in currently approved subdivisions, 100 homes in subdivisions not currently approved, seven homes per year built on privately-owned, pre-existing building lots

Assumptions:

- The average residential unit in currently approved subdivisions will be 2,064 SF (28.5 MWH annual energy consumption).
- The average residential unit for all other additions will be 3,000 SF (41.4 MWH annual energy consumption).
- Commercial load growth (load addition in per cent of existing load) matches residential load growth.
- The existing trend of conservation and efficiency improvements (1.2% per year) will continue over the forecast period.

<u>Forecast Result</u>

As shown in the following table, the City's energy consumption is expected to grow between 0.0% and +1.0% per year over the next five years. Barring an unforeseen large load addition, energy consumption in the City will be less in CY 2022 than it was in CY 2008, the year immediately preceding the recession.

Five Year Forecast Energy Requirement (MWH)

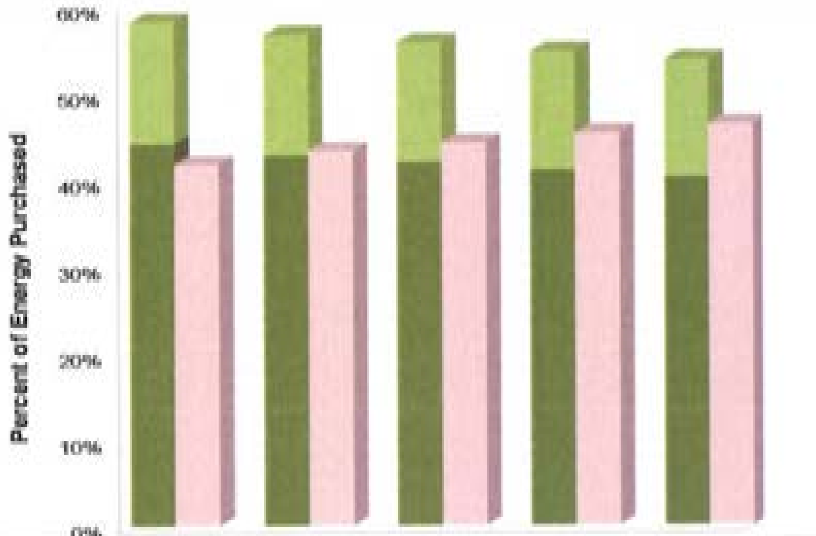
Growth assumption	**Low**	→	**High**
Base year (2017) energy	159,389	159,389	159,389
Load addition	9,173	12,912	17,524
Conservation/efficiency (1.2%/yr)	-9,563	-9,563	-9,563
Net load growth 2018-2022	-391	3,349	7,961
2022 Forecast	**158,999**	**162,738**	**167,350**
Annual growth rate % base year MWH	0.0%	0.4%	1.0%

6. Future Supply-Side and Demand-Side Resources

Supply-Side Resources

COBC has firm resource commitments throughout the 2018-2022 five-year planning period. All hydro-power contracts and market contracts that secure power for COBC extend through 2022.

Hydro & Market Energy Purchase Forecast
FYs 2018-19 through 2022-23



Forecast Energy Delivered (MWH)		Fiscal Year				
		2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
Hoover		72,250,800	70,758,500	70,148,800	69,140,000	68,387,920
SLCAIP		23,002,410	22,964,970	22,985,920	22,986,640	22,998,340
SSEA Market		68,308,930	71,563,440	73,856,140	76,281,290	78,758,590

The forecasted price for each resource and the total energy budget for the planning period is shown in the following table.

Fiscal Year	Price per MWH			Energy Budget
	Hoover	SLCAIP	Market Contract	
2018 - 2019	$24.51	$38.62	$45.48	$5,765,947
2019 - 2020	$24.97	$39.23	$42.03	$5,676,241
2020 - 2021	$26.26	$39.71	$36.31	$5,436,769
2021 - 2022	$26.39	$39.72	$38.42	$5,668,512
2022 - 2023	$25.68	$40.35	$40.49	$5,873,386

There are currently no state or federal regulations that will impact COBC's resource requirements during the 2018-2022 planning period.

Based on the forecast described in the previous section, COBC is not anticipating that load growth will require the electric utility to obtain additional purchased power resources during the 2018-2022 planning period.

It is COBC policy that resource adequacy be evaluated if a commercial or residential load addition requires construction of a new distribution feeder.

Demand-Side Resources

The City plans to convert thirteen 4.16 kV feeders to 12.47 kV by 2026 in order to allow the retirement of two aged 4.16 kV substations.

This project requires the preliminary step of replacing all 4.16 kV distribution transformers with dual-voltage 4.16 kV/12.47 kV units. Approximately 330 4.16 kV transformers are pole-mounted units that are planned to be replaced during CY 2018 – CY 2021.

Almost all transformers to be replaced were manufactured in between 1930 and 1970, are significantly less efficient than the replacement transformers. The City estimates that system losses will be reduced 1,116 MWH per year after the pole-mount transformer replacement program is completed.

7. Environmental Considerations

Environmental evaluation is not required for supply-side resources, as none are planned to be acquired during the five-year planning period.

Environmental protection will be enhanced by COBC's:

- Existing and planned demand-side resources.
- Electric vehicles. Three vehicles in the Electric Utility fleet are electric. In 2017, these vehicles provided an estimated 1,837 gallons of fuel savings to the City.

8. Action Plan

- COBC's five-year goal is to maintain competitive rates, while providing reliable power to customers.

- Energy Efficient Appliance Program: the Boulder City Council has approved a rebate budget of $40,000 FY 2018-2019. COBC's goal is to continue to make customer's aware of the rebate program through the City's web site and utility bill mail inserts.

- COBC will continue to measure the effectiveness of its demand-side programs by reporting expenditures and estimated peak demand and energy savings on an annual basis.

- COBC's goal for the overhead transformer replacement program is 100 replacements per year, with all transformers replaced by July, 2021.

- Per public comments subsequent to presentation of the draft IRP on June 26, 2018, COBC Staff will evaluate the feasibility of the following proposals, and make recommendations to Council:
    - Install solar PV panels on future parking shade structures, and adjust proposed project budgets accordingly.
    - LED-for-incandescent bulb exchange program:
        - COBC purchases LED bulbs in bulk quantities, in order to significantly reduce the cost per bulb.
        - Local retailers exchange LED bulbs with customer incandescent bulbs on a one-for-one basis.

9. Glossary of Terms

- CRC – Colorado River Commission of Nevada, a political subdivision of the State.
- SSEA – Silver State Energy Association (a joint action agency with members including COBC, Southern Nevada Water Authority (SNWA), Overton Power District, and Lincoln County Power District; also a political subdivision of the State.) SSEA provides complete load requirements service for COBC and SNWA.
- WAPA DSW – Western Area Power Administration, Desert Southwest Region. DSW is responsible for the marketing and transmission of hydro-power generated at US Bureau of Reclamation Colorado River dams.
- WAPA EMMO - Western Area Power Administration, Energy Management and Marketing Office. EMMO's functions as COBC's Balancing Area Authority (BAA) and Scheduling Entity (SE), as described below.
- Hoover – "Schedule A" is hydro-power from Hoover Dam as originally configured, and received by COBC through a direct contract with the United States (WAPA). "Schedule B" is additional power from Hoover Dam available after generator upgrades and scheduling entity improvements were made in the 1980s. COBC receives Hoover B power through a contract with CRC.
- SLCAIP – (Salt Lake City Area Integrated Projects) is power generated from several hydro projects, principally Glen Canyon Dam. COBC receives SLCAIP power through a contract with CRC.
- Market energy – energy purchased or sold through bilateral contracts between SSEA and any of several power trading entities. Contracts are for whole-month trades of On-Peak or Off-Peak energy. Peak hours are 7:00 AM to 11:00 PM Monday through Saturday, excluding holidays.

  SSEA executes purchases up to five years in advance of delivery in order to enhance price stability. SSEA may execute additional purchases or sales prior to delivery due to revised weather or hydro delivery forecasts.
- Balancing Energy – Energy for the next hour or next day, bought or sold by the SE in order to match and market resources to the expected load. Balancing energy is required because hydro and market contract energy is scheduled to be delivered to the City at a constant rate, but the energy consumed by the City varies throughout the day.
- Balancing Area Authority (BAA) – The entity responsible for maintaining an instant-by-instant balance between power resources and power demand. WAPA EMMO (via a contract with SSEA) has been the City's BAA since 2013.
- Imbalance Energy – Instant-by-instant energy supplied or taken by the BAA in order to match delivered energy to the City's continuously varying load.
- Ancillary Services – Reserves, regulation, reactive power and other overhead charges required by the BAA.

SLCAIP HYDRPOWER POST 2024
APPLICANT

City of Las Vegas

Colorado River Commission of Nevada
Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. **Applicant Information. Please provide the following:**

   a. **Name and address of entity/organization requesting and allocation:**

Entity Name	City of Las Vegas
Address	495 S Main Street
City, State, Zip	Las Vegas, NV 89101

   b. **Person(s) representing Applicant:**

Contact Person Title	Marco N. Velotta, AICP - Sr Mgmt Analyst
Address	333 N Rancho Dr, Las Vegas, NV 89101
City, State, Zip	Las Vegas, NV 89106
Telephone	702.229.4173
Fax	
Email Address	mvelotta@lasvegasnevada.gov

   c. **Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?**

Yes	No X

   d. **Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?**

Yes X	No

   e. **Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.**

Kilowatts (summer) 1000 kW	*Kilowatts (summer)* 4,380,000 kWh
Kilowatts (Winter) 2000 kW	*Kilowatts (winter)* 8,760,000 kWh

2. Applicant Data:

Historical Demand:

a. **Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018.** ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	**Nov. 2015**	**Dec. 2015**	**Jan. 2016**	**Feb. 2016**	**Mar. 2016**
Demand (kilowatts)	28956	25074	21530	21412	22851	25024
	Apr. 2016	**May 2016**	**Jun. 2016**	**Jul. 2016**	**Aug. 2016**	**Sept. 2016**
Demand (kilowatts)	27179	29570	31008	32543	34962	33477

Federal Fiscal Year 2017						
	Oct. 2016	**Nov. 2016**	**Dec. 2016**	**Jan. 2017**	**Feb. 2017**	**Mar. 2017**
Demand (kilowatts)	30445	25939	24484	23088	24044	28558
	Apr. 2017	**May 2017**	**Jun. 2017**	**Jul. 2017**	**Aug. 2017**	**Sept. 2017**
Demand (kilowatts)	30207	32874	34147	33982	34537	34228

Federal Fiscal Year 2018						
	Oct. 2017	**Nov. 2017**	**Dec. 2017**	**Jan. 2018**	**Feb. 2018**	**Mar. 2018**
Demand (kilowatts)	31390	30166	25934	22019	24370	25933
Demand (kilowatts)						

b. **Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.**

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1814830	1622020	1795040	1750800	1720000	1808780
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	412530	312190	268270	243470	419950	528310
On-Peak Load (kWh) Total of resources above	2158089	1911450	228317	2130499	2166313	2378370
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1683140	1571600	1618240	1579200	1773360	1672400
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	549340	630360	681570	650040	611310	494230
On-Peak Load (kWh) Total of resources above	2138323	2162977	2335758	2275871	2245960	2011422

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1766750	1708400	1812510	1773600	1659260	1832980
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	392260	325110	224600	268680	258320	478700
On-Peak Load (kWh) Total of resources above	2020495	1894497	1947578	1833563	1910158	2189037
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1642400	1659010	1641540	1603200	1800580	1694800
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	588990	690710	702850	532810	538510	483510
On-Peak Load (kWh) Total of resources above	1886988	2052585	2086989	1979505	2194263	1972169

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	332500	358750	289750	255250	308250	337750
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1300420	1379200	1587600	1901950	188480	1267920
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	435550	252290	200650	280640	348460	397450
On-Peak Load (kWh) Total of resources above	1974660	1873190	1857179	2032453	1887791	2097978

NERC Off-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1558130	1666560	1663620	1751300	1530910	1606800
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	49520	62010	50850	58700	62190	69880
On-Peak Load (kWh) Total of resources above	1579834	1711999	1790516	1921561	1623631	1753960
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1543710	1697980	1530030	1706240	1573420	1597440
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	84750	156980	112290	160130	91860	112050
On-Peak Load (kWh) Total of resources above	1571185	1882029	1724228	1966235	1642005	1632159

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1637380	1611520	1676410	1768850	1499900	1624270
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	70510	56780	57080	57630	42760	64080
On-Peak Load (kWh) Total of resources above	2020495	1894497	1947578	183563	1910158	2189037
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)						
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1624960	1653450	1545840	1724130	1589020	1613120
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	120740	127120	112010	146810	85980	96450
On-Peak Load (kWh) Total of resources above	1575703	1665152	1557381	1727957	1615180	1599205

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	55000	129500	114750	56250	142250	236750
Parker-Davis (kWh)						
SLCAIP (kWh)						
Purchased Power (kWh)	1463860	1402880	1705550	1740700	1419840	1372800
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	85200	49960	44080	62690	68770	69180
On-Peak Load (kWh) Total of resources above	1582551	1514635	1621013	1635634	1451673	1550955

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

The City anticipates increased population growth that may increase energy consumption at facilities.

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

Mead (Current point of delivery for CLV's Hoover hydropower)

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

All transmission and distributions agreements are in place for wastewater loads pursuant to NRS 704.787.

3. **<u>Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.</u>** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

Since 2009, the City of Las Vegas' renewable energy program has met the goal of providing the greatest possible benefit to the state through economic development through direct job creation, environmental protection through the use of clean power, and reductions in wastewater treatment expenses for the City of Las Vegas. For a municipal government, the City has consistently led the region in renewable energy production and greenhouse gas mitigation through solar energy production. In December 2016, the City announced that through a Renewable Energy Agreement with NV Energy, it receives 100 percent of the energy it needs from renewable sources for its retail load, most coming from Boulder Solar, a solar facility near Boulder City, Nevada, in addition to the City's solar installations at forty city buildings and facilities, parks, fire stations and community centers and a three megawatt solar plant at the city's Water Pollution Control Facility provides power for wastewater treatment. In addition, the City receives Hoover Schedule A and D hydropower allocations through the Commission and WAPA.

Together, this renewable energy generated and received contributes toward City Council's net-zero energy goals enumerated in the 2017 Resolution on Community Resilience, Net-Zero Energy and Sustainability (R-32-2017). The power reduces energy consumed from non-renewable source, emissions, and annual utility expenses by $5 million, and the City similarly believes SLCAIP hydropower will further reinforce and support the City's strategy at its wastewater treatment facilities while meeting the the State and Commission's goal to provide the maximum benefit possible to the state's southern region. In order to optimize facility performance and operation, this hydropower will contribute to a long-term reduction of annual electric expenses by while increasing the share of cheaper green power used for these facilities.

The City of Las Vegas respectfully requests the Commission's consideration of this application in an effort to build a resilient, sustainable, and diverse community and economy for Southern Nevadans.

4. **Creditworthiness:**

a. **If the Applicant is publicly traded, provide exchange and symbol:**

N/A

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

030381610

c. **Provide the Applicant's most recent bond and credit rating if available:**

AA2 / AA / AA

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

N.A

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

Yes - City of Las Vegas is a chartered Nevada municipality and has taxing authority pursuant to Charter and NRS.

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

N/A

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

All statements can be found at https://www.lasvegasnevada.gov/portal/faces/wcnav_externalId/dpt-finance?_adf.ctrl-state=bcerslay_4&_afrLoop=5885152171530853

5. **Other Information:**

The Applicant may provide any other information pertinent to the application.

Energy and demand data provided by CRC. The City anticipates population growth by 2024 that should increase the total amount of wastewater that is treated (estimated to be greater than 60 MGD), and thus the power and load requirements. Internal forecasts from the City's Planning Department anticipate 1.55% growth per annum, equating to 30,000 new units and 85,000 new residents, for a total City of Las Vegas projected population of 734,882 and a total regional population of 2.5 million by 2025. Should the SNPLMA boundary be expanded by Congress and the City annexes new territory, that number may also adjust further upward. As a result, head room should be accommodated within this time frame.

6. **By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:**

i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

ii. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

iii. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.

7. **Signature:**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature Marco Velotta   Title Sr Management Analyst

Print Name Marco N. Velotta, AICP

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018**.

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

4. Creditworthiness

i Provide complete copies of the Applicant's Audited Financials for the past three years.

The City of Las Vegas Comprehensive Annual Financial Reports are found on www.lasvegasnevada.gov.

Fiscal Year Ended June 30, 2017

https://www.lasvegasnevada.gov/cs/groups/public/documents/document/chjk/mdc3/~edisp/prd077346.pdf

Fiscal Year Ended June 30, 2016

https://www.lasvegasnevada.gov/cs/groups/public/documents/document/chjk/mda5/~edisp/prd009059.pdf

Fiscal Year Ended June 30, 2015

https://www.lasvegasnevada.gov/cs/groups/public/documents/document/chjk/mdmz/~edisp/prd033346.pdf

SLCAIP HYDRPOWER POST 2024
APPLICANT

Overton Power District No. 5

Colorado River Commission of Nevada
Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. Applicant Information. Please provide the following:

a. Name and address of entity/organization requesting and allocation:

Entity Name	Overton Power District No. 5
Address	PO BOX 395
City, State, Zip	Overton, NV 89040

b. Person(s) representing Applicant:

Contact Person Title	Mendis Cooper
Address	PO BOX 395
City, State, Zip	Overton, NV 89040
Telephone	(702) 397-3025
Fax	(702) 397-2583
Email Address	coop@opd5.com

c. Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?

Yes X	No

d. Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?

Yes	No X

e. Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.

Kilowatts (summer) 6,593	*Kilowatts (summer)* 14,563,065
Kilowatts (Winter) 8,669	*Kilowatts (winter)* 19,292,475

2. Applicant Data:

Historical Demand:

a. **Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018.** ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016
Demand (kilowatts)	71,522	67,438	75,594	74,982	75,202	102,952
	Apr. 2016	May 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sept. 2016
Demand (kilowatts)	48,363	70,086	91,057	99,530	84,270	77,414

Federal Fiscal Year 2017						
	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Demand (kilowatts)	56,091	60,404	68,346	72,108	61,955	59,105
	Apr. 2017	May 2017	Jun. 2017	Jul. 2017	Aug. 2017	Sept. 2017
Demand (kilowatts)	46,630	74,173	96,615	98,124	95,403	90,061

Federal Fiscal Year 2018						
	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018
Demand (kilowatts)	51,083	47,841	67,856	69,408	74,403	60,213
Demand (kilowatts)						

b. **Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.**

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)	1,627,936	1,322,826	1,647,145	1,845,335	2,559,116	4,225,532
Parker-Davis (kWh)	686,903	609,820	661,462	636,022	614,217	1,368,097
SLCAIP (kWh)	1,343,329	1,122,487	1,401,333	1,439,374	1,350,057	1,587,508
Purchased Power (kWh)	13,969,015	12,493,255	16,436,351	14,970,367	11,481,134	7,558,743
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	17,627,183	15,548,387	20,146,292	18,891,098	16,004,525	14,739,880
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)	4,170,711	1,898,124	1,603,007	909,328	1,551,601	1,573,213
Parker-Davis (kWh)	1,315,600	1,265,054	1,315,600	1,265,054	1,366,258	1,219,262
SLCAIP (kWh)	1,009,375	840,086	1,054,251	1,085,939	1,253,263	2,436,252
Purchased Power (kWh)	7,870,666	11,655,500	19,014,474	20,873,725	20,287,617	13,116,243
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	14,366,353	15,658,763	22,987,333	24,134,046	24,458,739	18,344,970

Federal Fiscal Year 2017

	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	1,265,705	2,108,754	1,190,312	1,158,128	1,510,630	3,658,842
Parker-Davis (kWh)	661,462	635,229	661,462	636,022	610,707	1,368,097
SLCAIP (kWh)	1,293,576	1,169,258	1,401,333	1,439,374	1,342,343	1,587,508
Purchased Power (kWh)	12,429,376	10,324,109	15,170,038	15,099,991	11,556,847	9,285,949
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	15,650,120	14,235,349	18,423,146	18,333,515	15,020,527	15,900,195
	Apr. 2017 kWh	**May 2017 kWh**	**June 2017 kWh**	**July 2017 kWh**	**Aug 2017 kWh**	**Sep. 2017 kWh**
Hoover (kWh)	3,416,090	1,718,972	1,465,426	1,470,580	1,368,596	1,331,375
Parker-Davis (kWh)	1,265,000	1,315,656	1,315,600	1,265,054	1,366,258	1,219,262
SLCAIP (kWh)	970,553	1,278,446	1,094,251	1,085,939	1,253,263	984,379
Purchased Power (kWh)	8,536,619	13,082,021	19,687,351	21,219,549	21,639,112	15,784,974
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	14,188,262	17,393,094	23,522,629	25,041,122	25,627,228	19,319,990

Federal Fiscal Year 2018

	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	1,268,746	1,565,518	1,281,715	1,030,712	1,702,304	1,955,333
Parker-Davis (kWh)	661,462	635,229	636,022	661,462	610,707	1,368,097
SLCAIP (kWh)	1,308,698	1,162,926	1,363,187	1,543,246	1,383,859	1,606,066
Purchased Power (kWh)	11,914,296	10,813,500	13,970,729	14,925,595	12,834,813	11,371,676
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	15,153,202	14,217,173	17,251,652	18,161,016	16,531,683	16,301,171

NERC Off-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	Nov. 2015 kWh	Dec. 2015 kWh	Jan. 2016 kWh	Feb. 2016 kWh	Mar. 2016 kWh
Hoover (kWh)	1,175,731	1,100,917	1,298,711	1,586,988	1,893,745	3,041,991
Parker-Davis (kWh)	496,097	535,180	521,538	546,978	454,521	984,903
SLCAIP (kWh)	970,182	985,100	1,104,897	1,237,862	999,043	1,142,859
Purchased Power (kWh)	10,088,733	10,964,132	12,959,431	12,874,516	8,496,040	5,441,595
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	12,730,743	13,645,330	15,884,576	16,246,344	11,843,348	10,611,348
	Apr. 2016 kWh	May 2016 kWh	June 2016 kWh	July 2016 kWh	Aug 2016 kWh	Sep. 2016 kWh
Hoover (kWh)	3,047,828	1,632,386	1,171,428	782,023	1,120,601	1,258,570
Parker-Davis (kWh)	961,400	1,087,946	961,400	1,087,946	986,742	975,409
SLCAIP (kWh)	737,621	722,474	770,415	933,907	905,134	1,949,002
Purchased Power (kWh)	5,751,641	10,023,730	13,895,193	17,951,404	14,652,167	10,492,995
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	10,498,489	13,466,537	16,798,435	20,755,280	17,664,644	14,675,976

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	997,960	1,090,670	938,516	995,990	1,132,973	2,633,883
Parker-Davis (kWh)	521,538	509,771	521,538	546,978	458,031	984,903
SLCAIP (kWh)	1,019,935	938,329	1,104,897	1,237,862	1,006,757	1,142,859
Purchased Power (kWh)	9,800,085	8,285,097	11,960,992	12,985,993	8,667,635	6,685,023
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	12,339,517	11,423,868	14,525,942	15,766,823	11,265,396	11,446,669
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	2,732,872	1,353,766	1,070,889	1,264,699	988,430	1,065,100
Parker-Davis (kWh)	1,012,000	1,037,344	961,400	1,087,946	986,742	975,409
SLCAIP (kWh)	776,443	1,008,005	770,415	933,907	905,134	787,504
Purchased Power (kWh)	6,829,295	10,314,670	14,386,911	18,248,813	15,628,247	12,627,979
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	11,350,610	13,713,786	17,189,614	21,535,365	18,508,554	15,455,992

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	1,000,357	1,272,379	1,102,274	812,677	1,276,728	1,407,658
Parker-Davis (kWh)	521,538	509,771	546,978	521,538	458,031	984,903
SLCAIP (kWh)	1,031,858	949,299	1,172,341	1,216,791	1,037,894	1,156,219
Purchased Power (kWh)	9,393,964	8,677,833	12,014,827	11,768,257	9,626,109	8,186,553
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	11,947,717	11,409,282	14,836,421	14,319,262	12,398,762	11,735,334

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

We anticipate demand growth of up to 15% as we complete the substation to serve the Moapa Band of Paiute's Travel Plaza. EQ3 has the potential to decrease customer demand if passed in the next election cycle.

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

Mead Substation, 230 kV, Summer 6,593 kV Winter 8,669 kV

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

As a current SLCAIP Allottee of over 50 years, OPD#5 has a proven transmission system that provides a reliable path to rural Nevadans, with a maintenance and inspection program that supports this reliability.

3. **Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

Overton Power District No. 5 was formed by the State of Nevada in 1935 as a non-profit quasi-municipal special improvement district. The District's service territory is approximately 2,000 sq miles and encompasses the northeast quadrant of Clark County Nevada which includes the City of Mesquite, and the unincorporated towns of Bunkerville, Logandale, Moapa, and Overton. The District also serves the Moapa Band of Paiutes, Valley of Fire State Park, and the northeast portion of Lake Mead Recreational Area. The District has procured hydro power contracts through the Colorado River Commission for more than 80 years. These contracts help provide energy to a variety of rural Nevadans including resorts, mining, residential, manufacturing, agricultural, water districts, school districts, State and Federal agencies, and other retail customers. The District provides service to many retired and fixed income customers who rely on affordable power. The current SLCAIP allotment allows us the opportunity to blend the low cost of hydro with our other resources to keep our rates under the state average per kilowatt hour cost. Any reduction in our current SLCAIP allotment could be detrimental to Nevada's rural residents, businesses, and recreational visitors.

c. Future Demand:

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

We anticipate demand growth of up to 15% as we complete the substation to serve the Moapa Band of Paiute's Travel Plaza. ECI has the potential to decrease customer demand if passed in the next election cycle.

e. Ability to Use:

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

As a current SLCAIP Allottee of over 50 years, OPD#5 has a proven transmission system that provides a reliable path to rural Nevadans, with a maintenance and inspection program that supports this reliability.

Provided by Staff for readability.

4. **Creditworthiness:**

a. **If the Applicant is publicly traded, provide exchange and symbol:**

N/A

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

072943608

c. **Provide the Applicant's most recent bond and credit rating if available:**

A- Please See Attached

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

Yes, Our Board of Trustees are our Rate Setting Body. Authority is issued through NRS.318.197

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

Yes, Authority is granted through NRS.318.225

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

Zero, In eighty years of being a customer of the CRC no payments have ever not been paid in full and on time.

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

Please See Attached

5. **Other Information:**

The Applicant may provide any other information pertinent to the application.

6. **<u>By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:</u>**

i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

ii. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

iii. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.

7. **<u>Signature:</u>**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature Mendi Cooper Title General Manager

Print Name Mendia Cooper

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018**.

<u>No applications will be accepted after 5:00 p.m. PDT on:</u>

MONDAY, JULY 16, 2018

OVERTON POWER DISTRICT NO. 5

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016
AND
AUDITOR'S REPORT
****

OVERTON POWER DISTRICT NO. 5

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HAFEN | BUCKNER

Certified Public Accountants
www.hbeg.com

90 E 200 N
St. George, UT 84770

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Overton Power District No. 5
Overton, Nevada

We have audited the accompanying basic financial statements of Overton Power District No. 5 (the District) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, an maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Overton Power District No. 5 as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2018, on our consideration of Overton Power District No. 5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Overton Power District No. 5's internal control over financial reporting and compliance.

Hafen, Buckner, Everett, & Graff, PC

Hafen, Buckner, Everett & Graff, PC

February 15, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Overton Power District No. 5's (the District) Basic Financial Statements presents management's discussion and analysis of the District's financial performance during the year ending December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Independent Auditor's report.

Financial Highlights

- Net utility plant increased by $2,392,868 in 2017 decreased by $513,073 during 2016.
- The District's net assets increased by $7,702,911 in 2017 and $4,581,649 during 2016.
- The District received contributions in aid of construction totaling $531,692 in 2017 and $392,473 during 2016.
- The District repaid $2,528,438 of long term debt principal during 2017 and $2,414,777 during 2016.
- The District has exceeded all coverage metrics required, reduced long term debt as a percentage of plant, and continued to save for future projects and debt reduction.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of two primary components:
1) financial statements, and 2) notes to the financial statements.

Financial Statements

The *Statement of Net Assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenue, Expenses, and Changes in Net Assets* presents information showing how the net assets of the District changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods.

The *Statement of Cash Flows* presents net cash flows for operating activities, investing activities, and capital and related financing activities. It also includes the net cash increase for the period, cash at the beginning of the period and the end of the period.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the District's financial statements including significant accounting policies, commitments, obligations, risks, contingencies and other financial matters of the District.

Financial Analysis

Net Assets

As previously noted, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by $44.5m at the close of the fiscal year 2017. This represents an increase from the prior year figure of $7.7m.

The largest assets of the District are the electrical plant in service ($76.7m). The District uses these capital assets to provide electrical services to clients; consequently, these assets are not available for future spending. Although the District's investment in its capital assets reported net of related debt totals ($76.7m), it should be noted that the resources needed to repay this debt must be provided from revenue sources, as the capital assets themselves cannot be used to liquidate these liabilities.

OVERTON POWER DISTRICT NO. 5's Net Assets (Condensed)

	12/31/2017	12/31/2016	12/31/2015
Utility Plant	$76,726,341	$74,333,473	$74,846,545
Other Non-Current Assets	3,288,575	2,884,652	3,231,064
Current Assets	17,876,535	15,400,392	13,108,651
Deferred Outflow Resource	5,783,357	5,071,460	5,134,545
Total Assets	103,674,808	97,689,977	96,320,805
Current Liabilities	6,935,600	6,829,394	7,321,169
Non-Current Liabilities	51,375,041	52,784,885	55,177,695
Deferred Inflow Resources	909,533	1,323,976	1,651,867
Total Liabilities	59,220,174	60,938,255	64,150,731
Net Assets	$44,454,633	$36,751,722	$32,170,074

OVERTON POWER DISTRICT NO. 5's Revenues, Expenses and Changes in Net Assets (Condensed)

	12/31/2017	12/31/2016	12/31/2015
Total Operating Revenues	$37,938,584	$37,636,085	$37,362,368
Total Operating Expenses	27,982,068	30,673,954	32,701,663
Operating Income/(Loss)	9,956,516	6,962,131	4,660,705
Non-Operating Revenues/(Expenses)	(2,106,546)	(2,077,712)	(2,408,358)
Change in Net Assets	$7,849,971	$4,884,419	$2,252,348

<u>Utility Plant and Debt Administration and Pension</u>

Net Utility Plant

The following table represents a summary of the District's net utility plant by type, and a comparison to prior year. Further details, by project, can be found in the footnotes to this financial statement.

	12/31/2017	12/31/2016	Change 2017 less 2016
Transmission Plant	$24,729,329	$24,201,411	$527,918
Distribution Plant	73,202,656	70,093,694	3,108,962
General Plant	9,564,059	9,349,462	214,597
Under Construction	2,134,377	1,475,174	659,203
Accumulated Depreciation	(32,904,080)	(30,786,268)	(2,117,812)
Total	$76,726,341	$74,333,473	$2,392,868

Long Term Debt

The following table represents a summary of the District's long-term debt, by type, and a comparison to the prior year. Further details can be found in the footnotes to this financial statement:

	12/31/2017	12/31/2016	Change 2017 less 2016
NRUCFC Loan Payable	$30,144,084	$32,233,357	$(2,087,273)
NRUCFC Loan Payable 2015	15,844,417	16,283,584	(439,113)
Total	$45,988,501	$48,516,941	$(2,528,440)

Pension

The District adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Report for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the District to recognize its proportionate share of the net pension liability, deferred outflows and deferred inflows of resources, and related expenses from the District's participation in the Public Employees' System of the State of Nevada (PERS). By adopting this new accounting guidance, the District would be required to restate its beginning net position. The Deferred Inflows of Resources of $2,500,981 and Deferred Outflows of Resources are $909,533 leaving a net Pension Cost to be recorded of ($90,852).

Currently Known Facts, Decisions, and Conditions

A description of currently known facts, decisions, and conditions that are expected to have a significant effect on the future financial position or results of operations are as follows:
The District seeks to deliver strong and consistent business and financial results by providing the necessary services and constructing a well built and reliable power system that enables the District to sell electrical capacity and energy to its customers.

The District monitors all financial data to ensure that the District can achieve its core mission and meet all upcoming obligations and responsibilities.

As the District adds new customers, new facilities are required to serve new loads. Additional new facilities are required to add system reliability.

The District seeks to maintain this balance by utilizing its financial strength to achieve these goals.

Request for Information

This financial report is designed to provide interested parties with a general overview of the District's financial status. Questions concerning any of the reports and/or information contained in this financial audit, or requests for additional financial information, should be addressed to Terry Romero, Assistant General Manager/Manager of Finance and Administration, PO BOX 395 Overton, NV 89040.

OVERTON POWER DISTRICT NO. 5
Statements of Net Assets
December 31, 2017 and 2016

Assets

	2017	2016
Utility Plant:		
Electric plant in service	$ 107,566,044	$ 103,644,567
Under construction	2,064,377	1,475,174
Total	109,630,421	105,119,741
Less accumulated depreciation and amortization	(32,904,080)	(30,786,268)
Net Utility Plant	76,726,341	74,333,473
Other Non-Current Assets:		
Investments in associated organizations	3,379,427	3,204,213
Pension costs	(90,852)	(319,561)
Total Other Non-Current Assets	3,288,575	2,884,652
Current Assets:		
Cash and cash equivalents	13,204,373	10,833,217
Accounts receivable - Principally customer (less allowance for doubtful accounts of $3,431 in 2015 and $4,034 in 2014)	3,228,738	3,186,609
Materials and supplies	1,294,843	1,238,474
Prepayments and other assets	148,581	142,091
Total Current Assets	17,876,535	15,400,392
Deferred Outflows of Resources:		
Deferred charge on pensions	2,500,981	1,624,966
Deferred charges on refunding debt	3,282,376	3,446,494
Total deferred outflows of resources	5,783,357	5,071,460
Total Assets	$ 103,674,808	$ 97,689,977

Liabilities and Net Assets

	2017	2016
Current Liabilities:		
Accounts payable	$ 1,646,065	$ 1,944,906
Customer deposits	123,750	132,292
Accrued expenses	908,673	911,464
Long-term debt due within one year	2,644,029	2,530,892
Deferred credits	1,613,082	1,309,840
Total Current Liabilities	6,935,600	6,829,394
Non-Current Liabilities:		
Long-term portion of termination benefits payable	279,595	247,470
Long-term debt, less amount due within one year	43,344,473	45,986,049
Net pension liability	7,750,973	6,551,367
Total Non-current Liabilities	51,375,041	52,784,885
Deferred Inflows of Resources:		
Deferred charge on pensions	909,533	1,323,976
Total deferred outflows of resources	909,533	1,323,976
Net Assets:		
Invested in utility plant, net of related debt	76,726,341	74,333,473
Restricted for:		
Debt service	-	-
Utility plant additions	-	-
Unrestricted	(32,271,708)	(37,581,751)
Total Net Assets	44,454,633	36,751,722
Total Liabilities and Net Assets	$ 103,674,808	$ 97,689,977

The accompanying notes are an integral part of the financial statements

OVERTON POWER DISTRICT NO. 5
Statements of Revenues, Expenses, and Changes In Net Assets
December 31, 2017 and 2016

	2017	2016
Operating Revenues	$ 37,938,584	$ 37,636,085
Operating Expenses:		
Operation-		
Power purchased	19,859,718	22,294,687
Distribution - Operation	577,071	646,124
Distribution - Maintenance	1,226,602	1,554,738
Transmission - Maintenance	562,392	578,181
Depreciation and amortization	1,894,418	1,809,019
General and administrative-		
Customer accounts	1,230,715	1,213,412
Other	2,631,152	2,577,793
Total Operating Expenses	27,982,068	30,673,954
Operating Income / (Loss)	9,956,516	6,962,131
Non-Operating Revenues (Expenses):		
Interest income	25,298	33,611
Interest expense	(2,062,287)	(2,158,293)
Gain/(loss) on sale of assets	(143,087)	(10,718)
Amortization	(164,119)	(176,346)
Patronage capital credits CFC	237,650	234,035
Total Non-Operating Revenues (Expenses)	(2,106,546)	(2,077,712)
Change in Net Assets	7,849,971	4,884,419
Total Net Assets - Beginning of Year	36,751,722	32,170,073
Contributions In Aid of Construction-net	(147,059)	(302,771)
Total Net Assets - End of Year	$ 44,454,633	$ 36,751,722

The accompanying notes are an integral part of the financial statements

OVERTON POWER DISTRICT NO. 5
Statements of Cash Flows
December 31, 2017 and 2016

	2017	2016
Cash received from customers	$ 37,896,456	$ 37,818,782
Cash paid to suppliers	(23,083,813)	(25,582,941)
Cash paid to employees	(3,655,762)	(3,655,762)
Cash Flows From Operating Activities	11,156,881	8,580,080
Cash Flows From investing Activities:		
Additions to utility plant	(4,287,286)	(1,295,947)
Proceeds from the sale of utility plant assets	(143,087)	(10,718)
Investment earnings	25,298	33,611
Patronage capital credits	237,650	234,035
Investment in related organization	(175,214)	(137,931)
Cash Flows From Investing Activities	(4,342,639)	(1,176,951)
Cash Flows From Financing Activities:		
Proceeds from issuance of bonds	-	-
Repayment of principal on long-term debt	(2,528,438)	(2,414,777)
Interest paid	(2,062,287)	(2,158,293)
Contributions in aid of construction and customer advances	156,183	(506,438)
Customer deposits	(8,542)	(5,300)
Cash Flows From Financing Activities	(4,443,085)	(5,084,808)
Net Change in Cash and Cash Equivalents	2,371,156	2,318,321
Cash and Cash Equivalents including Restricted Cash, Beginning of Year	10,833,217	8,514,896
Cash and Cash Equivalents including Restricted Cash, End of Year	$ 13,204,373	$ 10,833,217
Reconcilation of Operating Income / (Loss) to Net Cash Flows from Operating Activities:		
Operating income / (loss)	$ 9,956,516	$ 6,962,131
Adjustments to reconcile operating income / (loss) to cash flows from operating activities-		
Depreciation and amortization	1,894,418	1,809,019
Changes in assets and liabilities-		
(Increase)/decrease in accounts receivable	(42,129)	182,698
(Increase)/decrease in materials and supplies	(56,369)	(147,096)
(Increase)/decrease in prepayments and other assets	(6,490)	(9,021)
(Increase)/decrease in pension costs	(228,709)	484,343
(Increase)/decrease in deferred charge in pensions	(876,015)	(137,881)
Increase/(decrease) in accounts payable	(298,841)	(400,729)
Increase/(decrease) in accrued expenses	29,336	18,296
Increase/(decrease) in net pension liability	1,199,606	146,211
Increase/(decrease) in deferred charge in pensions	(414,443)	(327,891)
Cash Flows From Operating Activities	$ 11,156,881	$ 8,580,080

Supplemental Schedule of Interest Paid and Non Cash Investing and Financing Activities:

Interest paid during the year amounted to $2,062,287 in 2017, and $2,158,293 in 2016.

The District disposed of equipment costing $377,773 and $51,738 less accumulated depreciation of $230,700 and $41,030, net of sales proceeds of $3,986 and $-0-, resulting in a non-cash loss of $143,087 and $10,718 in 2017 and 2016 respectively.

The accompanying notes are an integral part of the financial statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Nevada 4 Overton, Overton Power District No. 5 was organized in November of 1935 for the purpose of providing electric service to the rural areas of eastern Clark County, Nevada (the Muddy and Virgin River Valleys). The accounting records of the district conform to the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for Class A and B electric utilities borrowers of the Rural Utilities Service.

Regulation - The District's rates are determined by the Board of Trustees, subject to certain restrictions. The District's accounting practices and policies are generally consistent with regulatory authorities and the accounting records are maintained in accordance with the Uniform System of Accounts prescribed by regulatory authorities.

Basis of Accounting and Presentation - The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC).

GASB Statement No. 20 requires that the District apply all GASB pronouncements as well as the pronouncements issued on or before November 30, 1989, by the Financial Accounting Standards Board (FASB) and its predecessor organizations, unless those pronouncements conflict with or contradict GASB pronouncements. As provided for in GASB Statement No. 20, the District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

Application of Accounting Standards - Recognizing that the District is a governmental entity organized under Nevada Revised Statute 318, during 2007 the District adopted the accounting and financial reporting policies of the Governmental Accounting Standards Board which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As prescribed by GASB 34, management's discussion and analysis is included as required supplementary information.

Utility Plant and Depreciation - Utility plant in service and under construction is stated at original cost. Cost includes labor, materials, and related indirect costs such as engineering, supervision, transportation, etc. The cost of units of property replaced or renewed, plus removal cost, less salvage, is charged to accumulated depreciation. Maintenance and repairs of utility property are charged to operation expenses. The District provides for depreciation on the straight-line basis for all property over the estimated useful lives of the related assets as follows:

	Annual Percentage Range
Transmission Plant	2.75
Distribution Plant	1.8 - 3.8
General Plant:	
Buildings	2
Transportation	15
Communication	5
Power Operated Equipment	11
Other Equipment	4

Revenues - The principal operating revenues of the District are charges to customers for the sale of electricity. Revenues are recognized as customers are billed. The District accrues revenues for energy delivered from the billing date to the end of the accounting period.

Materials and Supplies - Materials and supplies are stated generally at average cost which is not in excess of market.

Taxes on Income - The District is a State entity authorized by Nevada Revised Statute 318 and is not required to pay Federal income taxes.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand, cash in banks and cash temporarily invested in certificates of deposit, money market accounts, open-end mutual funds and cash restricted for debt service and construction.

Deposits and Investments - It is the policy of the District to invest their funds not immediately needed for operating or other purposes in a manner that will provide the greatest investment return consistent with maintaining maximum security. All investments will conform to the provisions of the Nevada Revised Statutes (NRS) and any direction by the governing board.

Pursuant to NRS and the District's investment policy the District may only invest in the following types of securities:

- U.S. Treasuries
- U.S. Agencies
- Money Market Mutual Funds
- Negotiable and Non-Negotiable Certificates of Deposit
- Repurchase Agreements

The following securities although authorized by State Statute shall not be part of the investment program of the District:

- Commercial Paper
- Bankers Acceptances

- Corporate Notes or Bonds
- Collateralized Mortgage Obligations
- Asset Backed Securities

Contributions in Aid of Construction - Contributions in aid of construction are charges to fund construction of the utility plant necessary to extend service to new customers. The payments are initially recorded as liabilities (customer advances for construction), then are reclassified to contributed capital when construction is completed. See note 8.

Estimates - Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Deposits

Deposits and investments of the District are governed by the Nevada Revised Statutes (NRS) except as described in Note 1. The following are discussions of the District's exposure to various risks related to its cash management activities.

Custodial Credit Risk

For deposits, this is the risk that in the event of a bank failure, the District's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. All of the District's deposits are covered by FDIC insurance or are collateralized.

Investments

The provisions of State law (NRS 355.170) govern the investment of public funds.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (NRS 355.170).

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing it exposure to credit risk is to comply with the provisions of State law (NRS 355.170).

3. UTILITY PLANT

During the years ended December 31, 2017 and 2016, the following changes occurred in the District's utility plant as follows:

	Balance at 12/31/2016	Additions	Deletions	Balance at 12/31/2017
Transmission Plant	$ 24,201,411	$ 527,918	$ -	$ 24,729,329
Distribution Plant	70,093,694	3,551,039	(442,077)	73,202,656
General Plant	9,349,462	396,131	(181,534)	9,564,059
Under construction	1,475,174	659,203	-	2,134,377
Subtotal	105,119,741	5,134,291	(623,611)	109,630,421
Accumulated depreciation	(30,786,268)	(2,673,768)	555,956	(32,904,080)
Net Utility Plant Assets	$ 74,333,473	$ 2,460,523	$ (67,655)	$ 76,726,341

	Balance at 12/31/2015	Additions	Deletions	Balance at 12/31/2016
Transmission Plant	$ 22,372,367	$ 1,834,181	$ (5,137)	$ 24,201,411
Distribution Plant	69,325,427	1,200,216	(431,949)	70,093,694
General Plant	9,014,194	357,991	(22,723)	9,349,462
Under construction	2,861,490	-	(1,386,316)	1,475,174
Subtotal	103,573,478	3,392,388	(1,846,125)	105,119,741
Accumulated depreciation	(28,726,932)	(2,572,155)	512,819	(30,786,268)
Net Utility Plant Assets	$ 74,846,546	$ 820,233	$ (1,333,306)	$ 74,333,473

4. INVESTMENTS IN ASSOCIATED ORGANIZATIONS

To join NRUCFC and establish eligibility to borrow, the District has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. The subscription certificates mature in 2085 and bear interest at 3% for the first fifteen years, 4% for the next seven years and 5% thereafter. The loan certificates mature and will be returned when the loans are paid off.

Investments in associated organizations consists of the following:

	2017	2016
NRUCFC Membership	$ 1,000	$ 1,000
NRUCFC Subscription Certificates	143,600	143,600
NRUCFC Loan Certificates	1,180,000	1,180,000
CFC Patronage Capital Certificates	1,291,156	1,192,456
CFC Patronage Capital Securities	450,000	400,000
SEDC Patronage Capital	117,164	109,714
FREIE Patronage Capital	178,405	163,179
Western Unit Patronage Capital	7,296	3,264
Investment in Cobank	1,000	1,000
Investment in CRC	9,806	10,000
	$ 3,379,427	$3,204,213

5. CONTRIBUTED CAPITAL

Contributed capital consists of contributions-in-aid to construction from customers. Contributed capital is amortized over the same estimated useful lives of the utility plant constructed with the contributed capital. Depreciation expense is reduced by the amount of contributed capital. The amount of contributed capital amortized during 2017 and 2016 was $672,763and $662,862.

Utility plant in service constructed by the use of contributed capital and related accumulated amortization are summarized as follows:

	As of 12/31/2017	As of 12/31/2016
Contributed Amount	$ 27,187,895	$ 26,662,191
Accumulated Amortization	(9,513,687)	(8,840,924)
Net	$ 17,674,208	$ 17,821,267

6. LONG-TERM DEBT

During the years ended December 31, 2017 and 2016, the following changes occurred in the District's long-term debt:

The current portion of voluntary benefits payable is included in accrued expenses on the statement of net assets.

	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017	Current Portion
NRUCFC Loans Payable	$ 48,516,942	$ -	$ (2,528,440)	$ 45,988,502	$ 2,530,892
Voluntary Termination Benefits	279,370	51,160	(25,580)	304,950	25,354
Total Long-Term Debt	$ 48,796,312	$ 51,160	$ (2,554,020)	$ 46,293,452	$ 2,556,246

	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016	Current Portion
NRUCFC Loans Payable	$ 50,931,718	$ -	$ (2,414,776)	$ 48,516,942	$ 2,530,892
Bond Premiums	$ 24,619		$ (24,619)	-	
Voluntary Termination Benefits	260,056	48,391	(29,077)	279,370	31,900
Total Long-Term Debt	$ 51,216,393	$ 48,391	$ (2,468,472)	$ 48,796,312	$ 2,562,792

Long-term debt consists of the following:

	2017	2016
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%, maturing September	$ 2,673,175	$ 2,846,044
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%, maturing September	2,673,175	2,846,044
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%, maturing September	3,762,679	4,006,002
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.23%, maturing September	3,659,459	3,891,936
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.33%, maturing September	3,653,311	3,883,925
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.25%, maturing September	3,441,838	3,705,242
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.45%, maturing September	3,342,943	3,596,433
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.80%, maturing September	3,409,838	3,666,027
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.90%, maturing September	3,527,666	3,791,704
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.60%	15,792,561	16,230,291
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.60%	51,856	53,292
Total long term debt	45,988,501	48,516,940
Less amounts due within one year	(2,644,029)	(2,530,892)
Long term debt, net of current portion	$ 43,344,473	$ 45,986,049

On December 29, 2003, the District borrowed $59,000,000, from National Rural Utilities Cooperative Finance Corporation (NRUCFC) in the form of nine separate notes ranging from $5,000,000 to $7,000,000. The notes are payable quarterly with interest ranging from 3.25% to 6.33%. The notes were originally scheduled to mature on September 30, 2020. During 2009 the maturity dates of the notes were extended to 2028. Under the terms of the NRUCFC notes, all assets of the District are pledged as security. Proceeds from these notes were used to retire outstanding Special Obligation Bonds and a legal settlement.

The District obtained a perpetual line of credit from NRUCFC in the amount of $5,000,000. The line of credit currently bears interest at the prime rate plus 1% and renews each year for another twelve months unless either party terminates the agreement by providing written notice. The outstanding balance at December 31, 2016 and 2015 was $-0- and $-0- respectively.

To join NRUCFC and establish eligibility to borrow, the District has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. See Note 4.

Maturities of long term debt are as follows:

Year	2017		Year	2016	
Ended	Principal	Interest	Ended	Principal	Interest
2018	$ 2,644,029	$ 2,174,019	2017	$ 2,530,892	$ 2,273,619
2019	2,773,890	2,044,160	2018	2,652,982	2,151,530
2020	2,910,519	1,907,531	2019	2,781,371	2,023,142
2021	3,054,288	1,763,763	2020	2,916,404	1,888,110
2022	3,205,589	1,612,463	2021	3,058,443	1,746,072
2023-2027	18,591,440	5,498,836	2022-2026	17,696,183	6,326,406
2028-2032	6,648,767	1,922,038	2027-2031	9,848,554	2,335,879
2033-2037	5,012,455	891,268	2032-2036	4,788,362	1,115,353
Thereafter	1,147,524	33,223	Thereafter	2,243,749	117,746
	-	-		-	-
Totals	$ 45,988,501	$ 17,847,301	Totals	$ 48,516,940	$ 19,977,857

Based on the borrowing rates currently available to the District for loans with similar term and average maturities, the fair value of long term debt is approximately $48,516,940 and $50,931,717 at December 31, 2017 and 2016 respectively.

7. DEFERRED CREDITS

Deferred credits consist of customer advances for construction which will be transferred to contributed capital when the construction is completed.

8. PENSION PLANS AND RETIREMENT BENEFITS

Plan Description. The District contributes to the Public Employees Retirement System of the State of Nevada (PERS) which is a multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to public employees of the State of Nevada and participating entities. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The System issues a publicly available financial report. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 2010. Benefit payments to which participants of their beneficiaries may be entitled under the pan included pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1. 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

Regular members are eligible for retirement at age 65 with five years of service, at 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Funding Policy. Benefits for plan members are funded under the employer pay method. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. The contribution requirements of the Plan members and the District are established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The payroll for employees covered by PERS for the years ended December 31, 2017 and 2016 were $3,786,590 and $3,733,329 respectively. The District's total payroll for the years ended December 31, 2017 and 2016 were $3,718,342 and $3,655,761 respectively.

The District's contribution rates and amounts contributed for the last three years are as follows:

Year	Contribution Rate Regular Members	Total Contributions
2017	28.00%	$ 1,060,243
2016	28.00%	$ 1,046,030
2015	25.75% -28%	$ 916,283

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the District reported a liability of $7,750,973, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculated the net position liability was determined by an actuarial valuation as of that dated. The District's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2016. At June 30, 2016, the District's proportion was 0.05760 percent.

For the year ended December 31, 2016, the District recognized pension expense of $1,060,243. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pension form the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual results	$ -	$ 519,025
Net difference between projected and actual earnings on pension plan investments	720,549	-
Changes in proportion and differences between District contributions and proportional share of contributions	188,004	390,508
District contributions subsequent to measurement date	1,592,428	-
Total	$ 2,500,981	$ 909,533

$1,592,428 was reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	
2018	$ (290)
2019	(290)
2020	1,242
2021	601
2022	(231)
2023	(51)
	$ 980

Actuarial Assumptions. The System's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.6% to 9.75%, depending on service. Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer price index	3.50%
Other assumptions	Same as those used in the June 30, 2016 funding Actuarial valuation

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of the experience review completed in 2013.

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs to the System.

The following is the Board adopted policy target asset allocation as of June 30, 2015:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

*As of June 30, 2015 PERS' long-term inflation assumption was 3.5%.

Discount Rate. The discount rate used to measure the total pension liability was 8% as of June 30, 2016. The projections of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return pm pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Sensitivity of the District's proportionate share of the net pension liability to change in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0 % Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1.0 % Increase in Discount Rate (9.00%)
District's proportionatre share of the net pension liability	$11,361,903	$7,750,973	$4,747,337

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Pension contributions Payable. The District's accrued contributions payable at December 31, 2017 and 2016 were $125,555 and $115,835.

9. COMPENSATED ABSENCES

Included in accrued expenses is $657,521 and $671,871 which represents accrued but unpaid vacation and sick pay as of December 31, 2017 and 2016.

10. VOLUNTARY TERMINATION BENEFITS

In 2008 the State of Nevada offered an early retirement incentive to employees who would retire prior to August 31, 2008. The incentive provided health insurance benefits with coverage limited to the retired employee and their spouse (if applicable). The District as a political subdivision of the State of Nevada was obligated to offer the benefits to its qualifying employees. As of August 31, 2008 seven District employees opted to retire and receive the benefit.

In accordance with Statement No. 47 issued by the Governmental Accounting Standards Board, an employer should recognize a liability and expense for the voluntary termination benefits when the employees accept the offer and the amounts can be estimated. Measurement of the liability should be updated with any incremental liability and expense (positive or negative) to be recognized, as of the end of each subsequent reporting period.

The estimated liability for the benefits as of December 31, 2017 and 2016 are as follows:

Termination benefits payable as of 12/31/16	$	279,370
Incremental adjustment for 2017		51,161
Termination benefits payable as of 12/31/17	$	330,531

11. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 15, 2018, the date that the financial statements were available to be issued.

OVERTON POWER DISTRICT NO. 5
Schedule of the Proportionate Share of The Net Pension Liability
Public Employees Retirement Sysytem of Nevada
Last Three Fiscal Years

	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
District's portion of net pension liability (asset)	5.76000%	0.05717%	6.14600%
District's proportionate share of the net pension liability (asset)	$ 7,750,973	$ 6,551,367	$ 6,405,156
District's covered-employee payroll	$ 3,786,590	$ 3,733,329	$ 3,441,846
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	204.695%	175.483%	186.097%
Plan fiduciary net position as a percentage of the toal pension liability	72.20%	75.13%	76.31%

Schedule of Contributions
Public Employees Retirement Sysytem of Nevada
Last Two Fiscal Years

	Reporting Fiscal Year		
	2017	2016	2015
Statutorily required contribution	$ 1,060,243	$ 1,046,030	$ 916,283
Contributions in relation to the statutorily required contribution	1,060,243	1,046,030	916,283
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 3,786,590	$ 3,733,329	$ 3,441,846
Contributions as a percentage of covered-employee payroll	28.000%	28.019%	26.622%

Note: The pension schedules in the required supplementary incformation are intended to show information for ten years, and additional information will be displayed as it becomes available.

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90 E 200 N
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Overton Power District No. 5
Overton, NV

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements which collectively comprise the basic financial statements of Overton Power District No.5 (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise The District's basic financial statements, and have issued our report thereon dated February 15, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hafen, Buckner, Everett, & Graff, PC

Hafen, Buckner, Everett, & Graff, PC

February 15, 2018

OVERTON POWER DISTRICT NO. 5

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015
AND
AUDITOR'S REPORT
****

OVERTON POWER DISTRICT NO. 5

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Overton Power District No. 5
Overton, Nevada

We have audited the accompanying basic financial statements of Overton Power District No. 5 (the District) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, an maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Overton Power District No. 5 as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2017, on our consideration of Overton Power District No. 5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Overton Power District No. 5's internal control over financial reporting and compliance.

Hafen, Buckner, Everett, & Graff, PC

Hafen, Buckner, Everett & Graff, PC

February 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Overton Power District No. 5's (the District) Basic Financial Statements presents management's discussion and analysis of the District's financial performance during the year ending December 31, 2016. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Independent Auditor's report.

Financial Highlights

- Net utility plant decreased by $513,073 during 2016.
- The District's net assets increased by $4,581,649 during 2016.
- The District received contributions in aid of construction totaling $392,473 during 2016.
- The District repaid $2,414,777 of long term debt principal during 2016.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of two primary components:
1) financial statements, and 2) notes to the financial statements.

Financial Statements

The *Statement of Net Assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenue, Expenses, and Changes in Net Assets* presents information showing how the net assets of the District changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods.

The *Statement of Cash Flows* presents net cash flows for operating activities, investing activities, and capital and related financing activities. It also includes the net cash increase for the period, cash at the beginning of the period and the end of the period.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the District's financial statements including significant accounting policies, commitments, obligations, risks, contingencies and other financial matters of the District.

Financial Analysis

Net Assets

As previously noted, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by $43.1m at the close of the fiscal year 2016. This represents an increase from the prior year figure of $4.6m.

The largest assets of the District are the electrical plant in service ($74.3m). The District uses these capital assets to provide electrical services to clients; consequently, these assets are not available for future spending. Although the District's investment in its capital assets reported net of related debt totals ($74.3m), it should be noted that the resources needed to repay this debt must be provided from revenue sources, as the capital assets themselves cannot be used to liquidate these liabilities.

OVERTON POWER DISTRICT NO. 5's Net Assets (Condensed)

	12/31/2016	12/31/2015	12/31/2014
Utility Plant	$74,333,473	$74,846,545	$74,832,747
Other Non-Current Assets	2,884,652	3,231,064	5,516,587
Current Assets	15,400,392	13,108,651	11,926,781
Deferred Outflow Resource	5,071,460	5,134,545	858,715
Total Assets	97,689,977	96,320,805	93,134,830
Current Liabilities	6,829,394	7,321,169	5,701,502
Non-Current Liabilities	52,784,885	55,177,695	49,326,128
Deferred Inflow Resources	1,323,976	1,651,867	1,651,867
Total Liabilities	60,938,255	64,150,731	56,679,497
Net Assets	$36,751,722	$32,170,074	$36,455,332

OVERTON POWER DISTRICT NO. 5's Revenues, Expenses and Changes in Net Assets (Condensed)

	12/31/2016	12/31/2015	12/31/2014
Total Operating Revenues	$37,636,085	$37,362,368	$36,366,208
Total Operating Expenses	30,673,954	32,701,663	31,284,323
Operating Income/(Loss)	6,962,131	4,660,705	5,081,886
Non-Operating Revenues/(Expenses)	(2,077,712)	(2,408,358)	(2,865,400)
Change in Net Assets	$4,884,419	$2,252,348	$2,216,486

Utility Plant and Debt Administration and Pension

Net Utility Plant

The following table represents a summary of the District's net utility plant by type, and a comparison to prior year. Further details, by project, can be found in the footnotes to this financial statement.

	12/31/2016	12/31/2015	Change 2016 less 2015
Transmission Plant	$24,201,411	$22,372,367	$1,829,044
Distribution Plant	70,093,694	69,325,427	768,267
General Plant	9,349,462	9,014,194	335,268
Under Construction	1,475,174	2,861,490	(1,386,316)
Accumulated Depreciation	(30,786,268)	(28,726,932)	(2,059,336)
Total	$74,333,473	$74,846,546	($513,073)

Long Term Debt

The following table represents a summary of the District's long-term debt, by type, and a comparison to the prior year. Further details can be found in the footnotes to this financial statement:

	12/31/2016	12/31/2015	Change 2016 less 2015
NRUCFC Loan Payable	$32,233,357	$34,126,683	$(1,893,326)
Special Revenue Bonds Payable	0	0	0
NRUCFC Loan Payable 2015	16,283,584	16,805,035	(521,451)
Total	$48,516,941	$50,931,718	$(2,414,777)

Pension

The District adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Report for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the District to recognize its proportionate share of the net pension liability, deferred outflows and deferred inflows of resources, and related expenses from the District's participation in the Public Employees' System of the State of Nevada (PERS). The effect of implementing these statements resulted in a restatement of beginning net position. The Deferred Inflows of Resources is $1,624,966 and the Deferred Outflows of Resources are $1,323,976 leaving a net Pension Cost to be recorded of ($319,561).

Currently Known Facts, Decisions, and Conditions

A description of currently known facts, decisions, and conditions that are expected to have a significant effect on the future financial position or results of operations are as follows:
We are monitoring all financial data to ensure the District can meet all upcoming obligations and responsibilities.

Request for Information

This financial report is designed to provide interested parties with a general overview of the District's financial status. Questions concerning any of the reports and/or information contained in this financial audit, or requests for additional financial information, should be addressed to Terry Romero, Assistant General Manager/Manager of Finance and Administration, PO BOX 395 Overton, NV 89040.

OVERTON POWER DISTRICT NO. 5
Statements of Net Assets
December 31, 2016 and 2015

Assets

		2016		2015
Utility Plant:				
Electric plant in service	$	103,644,567	$	100,711,987
Under construction		1,475,174		2,861,490
Total		105,119,741		103,573,477
Less accumulated depreciation and amortization		(30,786,268)		(28,726,932)
Net Utility Plant		74,333,473		74,846,545
Other Non-Current Assets:				
Investments in associated organizations		3,204,213		3,066,282
Pension costs		(319,561)		164,782
Total Other Non-Current Assets		2,884,652		3,231,064
Current Assets:				
Cash and cash equivalents		10,833,217		8,514,896
Accounts receivable - Principally customer (less allowance for doubtful accounts of $3,431 in 2015 and $4,034 in 2014)		3,186,609		3,369,307
Materials and supplies		1,238,474		1,091,378
Prepayments and other assets		142,091		133,070
Total Current Assets		15,400,392		13,108,651
Deferred Outflows of Resources:				
Deferred charge on pensions		1,624,966		1,487,085
Deferred charges on refunding debt		3,446,494		3,647,460
Total deferred outflows of resources		5,071,460		5,134,545
Total Assets	$	97,689,977	$	96,320,805

Liabilities and Net Assets

		2016		2015
Current Liabilities:				
Accounts payable	$	1,944,906	$	2,345,635
Customer deposits		128,300		133,600
Accrued expenses		915,456		913,651
Long-term debt due within one year		2,530,892		2,414,777
Deferred credits		1,309,840		1,513,507
Total Current Liabilities		6,829,394		7,321,170
Non-Current Liabilities:				
Long-term portion of termination benefits payable		247,470		230,979
Long-term debt, less amount due within one year		45,986,049		48,541,560
Net pension liability		6,551,367		6,405,156
Total Non-current Liabilities		52,784,885		55,177,695
Deferred Inflows of Resources:				
Deferred charge on pensions		1,323,976		1,651,867
Total deferred outflows of resources		1,323,976		1,651,867
Net Assets:				
Invested in utility plant, net of related debt		74,333,473		74,821,925
Restricted for:				
Debt service		-		-
Utility plant additions		-		-
Unrestricted		(37,581,751)		(42,651,852)
Total Net Assets		36,751,722		32,170,073
Total Liabilities and Net Assets	$	97,689,977	$	96,320,805

The accompanying notes are an integral part of the financial statements

OVERTON POWER DISTRICT NO. 5
Statements of Revenues, Expenses, and Changes In Net Assets
December 31, 2016 and 2015

	2016	2015
Operating Revenues	$ 37,636,085	$ 37,362,368
Operating Expenses:		
Operation-		
Power purchased	22,294,687	25,117,157
Distribution - Operation	646,124	577,929
Distribution - Maintenance	1,554,738	1,375,209
Transmission - Maintenance	578,181	743,299
Depreciation and amortization	1,809,019	1,765,192
General and administrative-		
Customer accounts	1,213,412	1,094,304
Other	2,577,793	2,028,573
Total Operating Expenses	30,673,954	32,701,663
Operating Income / (Loss)	6,962,131	4,660,705
Non-Operating Revenues (Expenses):		
Interest income	33,611	26,486
Interest expense	(2,158,293)	(2,525,184)
Gain/(loss) on sale of assets	(10,718)	(51,202)
Amortization	(176,346)	(70,114)
Patronage capital credits CFC	234,035	211,672
Total Non-Operating Revenues (Expenses)	(2,077,712)	(2,408,342)
Change in Net Assets	4,884,419	2,252,363
Total Net Assets - Beginning of Year	32,170,073	30,050,160
Contributions In Aid of Construction-net	(302,771)	(132,450)
Total Net Assets - End of Year	$ 36,751,722	$ 32,170,073

The accompanying notes are an integral part of the financial statements

OVERTON POWER DISTRICT NO. 5
Statements of Cash Flows
December 31, 2016 and 2015

	2016	2015
Cash received from customers	$ 37,818,782	$ 37,097,530
Cash paid to suppliers	(25,582,941)	(27,492,409)
Cash paid to employees	(3,655,762)	(3,527,395)
Cash Flows From Operating Activities	8,580,080	6,077,726
Cash Flows From investing Activities:		
Additions to utility plant	(1,295,947)	(1,778,990)
Proceeds from the sale of utility plant assets	(10,718)	(51,202)
Investment earnings	33,611	26,486
Patronage capital credits	234,035	211,672
Investment in related organization	(137,931)	(165,289)
Cash Flows From Investing Activities	(1,176,951)	(1,757,323)
Cash Flows From Financing Activities:		
Proceeds from issuance of bonds	-	16,805,035
Repayment of principal on long-term debt	(2,414,777)	(20,350,209)
Interest paid	(2,158,293)	(2,525,184)
Contributions in aid of construction and customer advances	(506,438)	1,140,532
Customer deposits	(5,300)	5,200
Cash Flows From Financing Activities	(5,084,808)	(4,924,626)
Net Change in Cash and Cash Equivalents	2,318,321	(604,223)
Cash and Cash Equivalents including Restricted Cash, Beginning of Year	8,514,896	9,119,119
Cash and Cash Equivalents including Restricted Cash, End of Year	$ 10,833,217	$ 8,514,896
Reconcilation of Operating Income / (Loss) to Net Cash Flows from Operating Activities:		
Operating income / (loss)	$ 6,962,131	$ 4,660,705
Adjustments to reconcile operating income / (loss) to cash flows from operating activities-		
Depreciation and amortization	1,809,019	1,765,192
Changes in assets and liabilities-		
(Increase)/decrease in accounts receivable	182,698	(264,838)
(Increase)/decrease in materials and supplies	(147,096)	11,872
(Increase)/decrease in prepayments and other assets	(9,021)	1,402
(Increase)/decrease in pension costs	484,343	-
(Increase)/decrease in deferred charge in pensions	(137,881)	-
Increase/(decrease) in accounts payable	(400,729)	(167,622)
Increase/(decrease) in accrued expenses	18,296	71,014
Increase/(decrease) in net pension liability	146,211	-
Increase/(decrease) in deferred charge in pensions	(327,891)	-
Cash Flows From Operating Activities	$ 8,580,080	$ 6,077,726

Supplemental Schedule of Interest Paid and Non Cash Investing and Financing Activities:

Interest paid during the year amounted to $2,158,293 in 2016, and $2,525,184 in 2015.

The District disposed of equipment costing $51,738 and $111,788 less accumulated depreciation of $41,030 and $60,586, net of sales proceeds of $-0- and $-0-, resulting in a non-cash loss of $10,718 and $51,202 in 2016 and 2015 respectively.

The accompanying notes are an integral part of the financial statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Nevada 4 Overton, Overton Power District No. 5 was organized in November of 1935 for the purpose of providing electric service to the rural areas of eastern Clark County, Nevada (the Muddy and Virgin River Valleys). The accounting records of the district conform to the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for Class A and B electric utilities borrowers of the Rural Utilities Service.

Regulation - The District's rates are determined by the Board of Trustees, subject to certain restrictions. The District's accounting practices and policies are generally consistent with regulatory authorities and the accounting records are maintained in accordance with the Uniform System of Accounts prescribed by regulatory authorities.

Basis of Accounting and Presentation - The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC).

GASB Statement No. 20 requires that the District apply all GASB pronouncements as well as the pronouncements issued on or before November 30, 1989, by the Financial Accounting Standards Board (FASB) and its predecessor organizations, unless those pronouncements conflict with or contradict GASB pronouncements. As provided for in GASB Statement No. 20, the District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

Application of Accounting Standards - Recognizing that the District is a governmental entity organized under Nevada Revised Statute 318, during 2007 the District adopted the accounting and financial reporting policies of the Governmental Accounting Standards Board which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As prescribed by GASB 34, management's discussion and analysis is included as required supplementary information.

Utility Plant and Depreciation - Utility plant in service and under construction is stated at original cost. Cost includes labor, materials, and related indirect costs such as engineering, supervision, transportation, etc. The cost of units of property replaced or renewed, plus removal cost, less salvage, is charged to accumulated depreciation. Maintenance and repairs of utility property are charged to operation expenses. The District provides for depreciation on the straight-line basis for all property over the estimated useful lives of the related assets as follows:

	Annual Percentage Range
Transmission Plant	2.75
Distribution Plant	1.8 - 3.8
General Plant:	
Buildings	2
Transportation	15
Communication	5
Power Operated Equipment	11
Other Equipment	4

Revenues - The principal operating revenues of the District are charges to customers for the sale of electricity. Revenues are recognized as customers are billed. The District accrues revenues for energy delivered from the billing date to the end of the accounting period.

Materials and Supplies - Materials and supplies are stated generally at average cost which is not in excess of market.

Taxes on Income - The District is a State entity authorized by Nevada Revised Statute 318 and is not required to pay Federal income taxes.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand, cash in banks and cash temporarily invested in certificates of deposit, money market accounts, open-end mutual funds and cash restricted for debt service and construction.

Deposits and Investments - It is the policy of the District to invest their funds not immediately needed for operating or other purposes in a manner that will provide the greatest investment return consistent with maintaining maximum security. All investments will conform to the provisions of the Nevada Revised Statutes (NRS) and any direction by the governing board.

Pursuant to NRS and the District's investment policy the District may only invest in the following types of securities:

- U.S. Treasuries
- U.S. Agencies
- Money Market Mutual Funds
- Negotiable and Non-Negotiable Certificates of Deposit
- Repurchase Agreements

The following securities although authorized by State Statute shall not be part of the investment program of the District:

- Commercial Paper
- Bankers Acceptances

- Corporate Notes or Bonds
- Collateralized Mortgage Obligations
- Asset Backed Securities

Contributions in Aid of Construction - Contributions in aid of construction are charges to fund construction of the utility plant necessary to extend service to new customers. The payments are initially recorded as liabilities (customer advances for construction), then are reclassified to contributed capital when construction is completed. See note 8.

Estimates - Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Deposits

Deposits and investments of the District are governed by the Nevada Revised Statutes (NRS) except as described in Note 1. The following are discussions of the District's exposure to various risks related to its cash management activities.

Custodial Credit Risk

For deposits, this is the risk that in the event of a bank failure, the District's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. All of the District's deposits are covered by FDIC insurance or are collateralized.

Investments

The provisions of State law (NRS 355.170) govern the investment of public funds.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (NRS 355.170).

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing it exposure to credit risk is to comply with the provisions of State law (NRS 355.170).

3. UTILITY PLANT

During the years ended December 31, 2016 and 2015, the following changes occurred in the District's utility plant as follows:

	Balance at 12/31/2015	Additions	Deletions	Balance at 12/31/2016
Transmission Plant	$ 22,372,367	$ 1,834,181	$ (5,137)	$ 24,201,411
Distribution Plant	69,325,427	1,200,216	(431,949)	70,093,694
General Plant	9,014,194	357,991	(22,723)	9,349,462
Under construction	2,861,490	-	(1,386,316)	1,475,174
Subtotal	103,573,478	3,392,388	(1,846,125)	105,119,741
Accumulated depreciation	(28,726,932)	(2,572,155)	512,819	(30,786,268)
Net Utility Plant Assets	$ 74,846,546	$ 820,233	$ (1,333,306)	$ 74,333,473

	Balance at 12/31/2014	Additions	Deletions	Balance at 12/31/2015
Transmission Plant	$ 21,776,683	$ 601,953	$ (6,269)	$ 22,372,367
Distribution Plant	68,135,193	1,437,851	(247,617)	69,325,427
General Plant	8,525,886	513,292	(24,984)	9,014,194
Under construction	2,849,047	1,475,935	(1,463,492)	2,861,490
Subtotal	101,286,809	4,029,031	(1,742,362)	103,573,478
Accumulated depreciation	(26,454,062)	(2,522,132)	249,262	(28,726,932)
Net Utility Plant Assets	$ 74,832,747	$ 1,506,899	$ (1,493,100)	$ 74,846,546

4. INVESTMENTS IN ASSOCIATED ORGANIZATIONS

To join NRUCFC and establish eligibility to borrow, the District has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. The subscription certificates mature in 2085 and bear interest at 3% for the first fifteen years, 4% for the next seven years and 5% thereafter. The loan certificates mature and will be returned when the loans are paid off.

Investments in associated organizations consists of the following:

	2016	2015
NRUCFC Membership	$ 1,000	$ 1,000
NRUCFC Subscription Certificates	143,600	143,600
NRUCFC Loan Certificates	1,180,000	1,180,000
CFC Patronage Capital Certificates	1,192,456	1,096,902
CFC Patronage Capital Securities	400,000	400,000
SEDC Patronage Capital	109,714	105,710
FREIE Patronage Capital	163,179	136,889
Western Unit Patronage Capital	3,264	2,181
Investment in Cobank	1,000	-
Investment in CRC	10,000	-
	$ 3,204,213	$3,066,282

5. CONTRIBUTED CAPITAL

Contributed capital consists of contributions-in-aid to construction from customers. Contributed capital is amortized over the same estimated useful lives of the utility plant constructed with the contributed capital. Depreciation expense is reduced by the amount of contributed capital. The amount of contributed capital amortized during 2016 and 2015 was $662,862and $665,358.

Utility plant in service constructed by the use of contributed capital and related accumulated amortization are summarized as follows:

	As of 12/31/2016	As of 12/31/2015
Contributed Amount	$ 26,662,191	$ 26,302,100
Accumulated Amortization	(8,840,924)	(8,178,062)
Net	$ 17,821,267	$ 18,124,038

6. LONG-TERM DEBT

During the years ended December 31, 2016 and 2015, the following changes occurred in the District's long term debt:

The current portion of voluntary benefits payable is included in accrued expenses on the statement of net assets.

	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016	Current Portion
NRUCFC Loans Payable	$ 50,931,718	$ -	$ (2,414,776)	$ 48,516,942	$ 2,530,892
Bond Premiums	24,619	-	(24,619)	-	-
Voluntary Termination Benefits	260,056	48,391	(29,077)	279,370	31,900
Total Long-Term Debt	$ 51,216,393	$ 48,391	$ (2,468,472)	$ 48,796,312	$ 2,562,792

	Balance 12/31/2014	Additions	Retirements	Balance 12/31/2015	Current Portion
NRUCFC Loans Payable	$ 36,131,511	$ 16,805,035	$ (2,004,828)	$ 50,931,718	$ 2,414,777
Series 2008 Special Revenue Bonds Payable	14,915,000	-	(14,915,000)	-	-
Bond Premiums	25,322	-	(703)	24,619	-
Voluntary Termination Benefits	423,191	-	(163,135)	260,056	29,077
Total Long-Term Debt	$ 51,495,024	$ 16,805,035	$ (17,083,666)	$ 51,216,393	$ 2,443,854

Long-term debt consists of the following:

On December 29, 2003, the District borrowed $59,000,000, from National Rural Utilities Cooperative Finance Corporation (NRUCFC) in the form of nine separate notes ranging from $5,000,000 to $7,000,000. The notes are payable quarterly with interest ranging from 3.25% to 6.33%. The notes were originally scheduled to mature on September 30, 2020. During 2009 the maturity dates of the notes were extended to 2028. Under the terms of the NRUCFC notes, all assets of the District are pledged as security. Proceeds from these notes were used to retire outstanding Special Obligation Bonds and a legal settlement.

	2016	2015
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%, maturing September	$ 2,846,044	$ 3,008,998
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%, maturing September	2,846,044	3,008,998
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%, maturing September	4,006,002	4,235,371
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.23%, maturing September	3,891,936	4,110,477
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.33%, maturing September	3,883,925	4,100,501
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.25%, maturing September	3,705,242	3,960,257
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.45%, maturing September	3,596,433	3,841,485
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.80%. maturing September	3,666,027	3,913,318
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.90%, maturing September	3,791,704	4,049,197
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.60%	16,230,291	16,648,450
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.60%	53,292	54,666
Bond premiums on 2008 Special Obligation	-	24,619
Total long term debt	48,516,940	50,956,337
Less amounts due within one year	(2,530,892)	(2,414,777)
Long term debt, net of current portion	$ 45,986,049	$ 48,541,560

The District obtained a perpetual line of credit from NRUCFC in the amount of $5,000,000. The line of credit currently bears interest at the prime rate plus 1% and renews each year for another twelve months unless either party terminates the agreement by providing written notice. The outstanding balance at December 31, 2016 and 2015 was $-0- and $-0- respectively.

To join NRUCFC and establish eligibility to borrow, the District has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. See Note 4.

Maturities of long term debt are as follows:

Year Ended	2016 Principal	2016 Interest	Year Ended	2015 Principal	2015 Interest
2017	$ 2,530,892	$ 2,273,619	2016	$ 2,414,777	$ 2,389,719
2018	2,652,982	2,151,530	2017	2,530,892	2,273,603
2019	2,781,371	2,023,142	2018	2,652,982	2,151,513
2020	2,916,404	1,888,110	2019	2,781,371	2,023,124
2021	3,058,443	1,746,072	2020	2,916,404	1,888,092
2022-2026	17,696,183	6,326,406	2021-2025	16,866,650	7,155,827
2027-2031	9,848,554	2,335,879	2026-2030	12,903,391	2,970,570
2032-2036	4,788,362	1,115,353	2031-2035	4,574,286	1,329,249
Thereafter	2,243,749	117,746	Thereafter	3,290,964	251,155
	-	-		-	-
Totals	$ 48,516,940	$ 19,977,857	Totals	$ 50,931,717	$ 22,432,852

Based on the borrowing rates currently available to the District for loans with similar term and average maturities, the fair value of long term debt is approximately $48,516,940 and $50,931,717 at December 31, 2016 and 2015 respectively.

7. DEFERRED CREDITS

Deferred credits consist of customer advances for construction which will be transferred to contributed capital when the construction is completed.

8. PENSION PLANS AND RETIREMENT BENEFITS

Plan Description. The District contributes to the Public Employees Retirement System of the State of Nevada (PERS) which is a multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to public employees of the State of Nevada and participating entities. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The System issues a publicly available financial report. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 2010. Benefit payments to which participants of their beneficiaries may be entitled under the pan included pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

Regular members are eligible for retirement at age 65 with five years of service, at 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Funding Policy. Benefits for plan members are funded under the employer pay method. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. The contribution requirements of the Plan members and the District are established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The payroll for employees covered by PERS for the years ended December 31, 2016 and 2015 were $3,733,329 and $3,441,845 respectively. The District's total payroll for the years ended December 31, 2016 and 2015 were $3,655,761 and $3,527,395 respectively.

The District's contribution rates and amounts contributed for the last three years are as follows:

Year	Contribution Rate Regular Members	Total Contributions
2016	28.00%	$ 1,046,030
2015	25.75% -28%	$ 916,283
2014	25.75%	$ 898,947

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2016, the District reported a liability of $6,551,367, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculated the net position liability was determined by an actuarial valuation as of that dated. The District's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015. At June 30, 2015, the District's proportion was 0.05717 percent.

For the year ended December 31, 2016, the District recognized pension expense of $1,046,030. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pension form the following sources:

Differences between expected and actual results	$ -	$ 492,776
Net difference between projected and actual earnings on pension plan investments	-	354,866
Changes in proportion and differences between District contributions and proportional share of contributions	99,297	476,334
District contributions subsequent to measurement date	1,525,669	-
Total	$ 1,624,966	$ 1,323,976

$1,525,669 was reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

2017	$ (263,383)
2018	(263,383)
2019	(263,383)
2020	49,486
2021	(81,443)
2022	(25,534)
	$ (847,640)

Actuarial Assumptions. The System's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.6% to 9.75%, depending on service Poioce/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer price index	3.50%
Other assumptions	Same as those used in the June 30, 2015 funding Actuarial valuation

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of the experience review completed in 2013.

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs to the System.

The following is the Board adopted policy target asset allocation as of June 30, 2015:

Asset Class	Target Allocation	Long-tenn Geometric Expected Real Rate of Return *
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

*As of June 30, 2015 PERS' long-term inflation assumption was 3.5%.

Discount Rate. The discount rate used to measure the total pension liability was 8% as of June 30, 2015. The projections of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return pm pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Sensitivity of the District's proportionate share of the net pension liability to change in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0 % Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1.0 % Increase in Discount Rate (9.00%)
District's proportionatre share of the net pension liability	$9,982,961	$6,551,360	$3,697,744

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Pension contributions Payable. The District's accrued contributions payable at December 31, 2016 and 2015 were $115,835 and $74,835.

9. COMPENSATED ABSENCES

Included in accrued expenses is $674,871 and $530,880 which represents accrued but unpaid vacation and sick pay as of December 31, 2016 and 2015.

10. VOLUNTARY TERMINATION BENEFITS

In 2008 the State of Nevada offered an early retirement incentive to employees who would retire prior to August 31, 2008. The incentive provided health insurance benefits with coverage limited to the retired employee and their spouse (if applicable). The District as a political subdivision of the State of Nevada was obligated to offer the benefits to its qualifying employees. As of August 31, 2008 seven District employees opted to retire and receive the benefit.

In accordance with Statement No. 47 issued by the Governmental Accounting Standards Board, an employer should recognize a liability and expense for the voluntary termination benefits when the employees accept the offer and the amounts can be estimated. Measurement of the liability should be updated with any incremental liability and expense (positive or negative) to be recognized, as of the end of each subsequent reporting period.

The estimated liability for the benefits as of December 31, 2016 and 2015 are as follows:

Termination benefits payable as of 12/31/15	$	260,056
Incremental adjustment for 2016		19,314
Termination benefits payable as of 12/31/16	$	279,370

11. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 22, 2017, the date that the financial statements were available to be issued.

OVERTON POWER DISTRICT NO. 5
Schedule of the Proportionate Share of The Net Pension Liability
Public Employees Retirement Sysytem of Nevada
Last Two Fiscal Years

	Reporting Fiscal Year (Measurement Date)	
	2016 (2015)	2015 (2014)
District's portion of net pension liability (asset)	0.05717%	6.14600%
District's proportionate share of the net pension liability (asset)	$ 6,551,367	$ 6,405,156
District's covered-employee payroll	$ 3,733,329	$ 3,441,846
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	175.483%	186.097%
Plan fiduciary net position as a percentage of the toal pension liability	75.13%	76.31%

Schedule of Contributions
Public Employees Retirement Sysytem of Nevada
Last Two Fiscal Years

	Reporting Fiscal Year	
	2016	2015
Statutorily required contribution	$ 1,046,030	$ 916,283
Contributions in relation to the statutorily required contribution	1,046,030	916,283
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 3,733,329	$ 3,441,846
Contributions as a percentage of covered-employee payroll	28.019%	26.622%

Note: The pension schedules in the required supplementary incformation are intended to sbow information for ten years, and additional information will be displayed as it becomes available.

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Certified Public Accountants
www.hbeg.com

90 E 200 N
St. George, UT 84770

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Overton Power District No. 5
Overton, NV

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements which collectively comprise the basic financial statements of Overton Power District No.5 (the District), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise The District's basic financial statements, and have issued our report thereon dated February 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hafen, Buckner, Everett, & Graff, PC

Hafen, Buckner, Everett, & Graff, PC

February 22, 2017

OVERTON POWER DISTRICT NO. 5

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014
AND
AUDITOR'S REPORT
****

OVERTON POWER DISTRICT NO. 5

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St. George, UT 84770

Independent Auditor's Report

To the Board of Directors
Overton Power District No. 5
Overton, Nevada

We have audited the accompanying basic financial statements of Overton Power District No. 5 (the District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, an maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter Regarding Change in Accounting Principle

As described in Note 8 to the financial statements, in 2015 the District adopted new accounting guidance GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transitions for Contributions Made Subsequent to Measurement Date*. Our opinion is not modified with respect to this matter.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Overton Power District No. 5 as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hafen, Buckner, Everett, & Graff, PC

Hafen, Buckner, Everett & Graff, PC

February 22, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Overton Power District No. 5's (the District) Basic Financial Statements presents management's discussion and analysis of the District's financial performance during the year ending December 31, 2015. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Independent Auditor's report.

Financial Highlights

- Net utility plant increased by $13,798 during 2015 and decreased by $499,295 during 2014.
- The District's net assets increased by $2,119,897 during 2015 and increased $1,973,368 during 2014.
- The District received contributions in aid of construction totaling $537,743 during 2015 and $424,280 during 2014.
- The District repaid $2,004,826 of long term debt principal during 2015 and $2,040,971 during 2014. $16,805,034 was refinanced reducing the overall interest rate with a possible interest savings for the length of the loan of $6,895,009.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of two primary components:
1) financial statements, and 2) notes to the financial statements.

Financial Statements

The *Statement of Net Assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenue, Expenses, and Changes in Net Assets* presents information showing how the net assets of the District changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods.

The *Statement of Cash Flows* presents net cash flows for operating activities, investing activities, and capital and related financing activities. It also includes the net cash increase for the period, cash at the beginning of the period and the end of the period.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the District's financial statements including significant accounting policies, commitments, obligations, risks, contingencies and other financial matters of the District.

Financial Analysis

Net Assets

As previously noted, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by $38.5m at the close of the fiscal year 2015. This represents an increase from the prior year figure of $2.1m.

The largest assets of the District are the electrical plant in service ($74.8m). The District uses these capital assets to provide electrical services to clients; consequently, these assets are not available for future spending. Although the District's investment in its capital assets reported net of related debt totals ($74.8m), it should be noted that the resources needed to repay this debt must be provided from revenue sources, as the capital assets themselves cannot be used to liquidate these liabilities.

OVERTON POWER DISTRICT NO. 5's Net Assets (Condensed)

	12/31/2015	12/31/2014	12/31/2013
Utility Plant	$74,846,545	$74,832,747	$75,332,042
Other Non-Current Assets	6,713,742	4,723,436	4,525,008
Current Assets	13,108,651	11,926,781	11,780,216
Total Assets	94,668,938	91,482,963	91,637,267
Current Liabilities	7,321,169	5,702,503	5,660,584
Non-Current Liabilities	48,772,539	49,325,127	51,494,719
Total Liabilities	56,093,708	55,027,630	57,155,303
Net Assets	$38,575,229	$36,455,332	$34,481,964

OVERTON POWER DISTRICT NO. 5's Revenues, Expenses and Changes in Net Assets (Condensed)

	12/31/2015	12/31/2014	12/31/2013
Total Operating Revenues	$37,362,368	$36,366,208	$36,775,197
Total Operating Expenses	32,701,663	31,284,323	30,967,089
Operating Income/(Loss)	4,660,705	5,081,886	5,808,108
Non-Operating Revenues/(Expenses)	(2,408,358)	(2,865,400)	(3,070,456)
Change in Net Assets	$2,252,348	$2,216,486	$2,737,652

Utility Plant and Debt Administration and Pension

Net Utility Plant

The following table represents a summary of the District's net utility plant by type, and a comparison to prior year. Further details, by project, can be found in the footnotes to this financial statement.

	12/31/2015	12/31/2014	Change 2015 less 2014
Transmission Plant	$22,372,367	$21,776,683	$595,684
Distribution Plant	69,325,427	68,135,193	1,190,234
General Plant	9,014,194	8,525,886	488,308
Under Construction	2,861,490	2,849,047	(2,272,869)
Accumulated Depreciation	(28,726,932)	(26,454,063)	(2,272,869)
Total	$74,846,546	$74,832,746	$13,800

Long Term Debt

The following table represents a summary of the District's long-term debt, by type, and a comparison to the prior year. Further details can be found in the footnotes to this financial statement:

	12/31/2015	12/31/2014	Change 2015 less 2014
NRUCFC Loan Payable	$34,126,683	$36,131,509	$(2,004,826)
Special Revenue Bonds Payable	0	14,915,000	(14,915,000)
NRUCFC Loan Payable 2015	16,805,035		16,805,035
Total	$50,931,718	$51,046,509	$(114,791)

Pension

The District adopted new accounting guidance, GASB Statement No. 68 *Accounting and Financial Report for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the District to recognize its proportionate share of the net pension liability, deferred outflows and deferred inflows of resources, and related expenses from the District's participation in the Public Employees' System of the State of Nevada (PERS). The effect of implementing these statements resulted in a restatement of beginning net position. The Deferred Inflows of Resources is $1,651,867 and the Deferred Outflows of Resources are $1,487,085 leaving a net Pension Cost of $164,782.

Currently Known Facts, Decisions, and Conditions

A description of currently known facts, decisions, and conditions that are expected to have a significant effect on the future financial position or results of operations are as follows:
We are monitoring all financial data to ensure the District can meet all upcoming obligations and responsibilities.

Request for Information

This financial report is designed to provide interested parties with a general overview of the District's financial status. Questions concerning any of the reports and/or information contained in this financial audit, or requests for additional financial information, should be addressed to Terry Romero, Assistant General Manager/Manager of Finance and Administration, PO BOX 395 Overton, NV 89040.

OVERTON POWER DISTRICT NO. 5
Statements of Net Assets
December 31, 2015 and 2014

Assets and Deferred Outflows of Resources		2015		2014
Utility Plant:				
Electric plant in service	$	100,711,987	$	98,437,761
Under construction		2,861,490		2,849,047
Total		103,573,477		101,286,809
Less accumulated depreciation and amortization		(28,726,932)		(26,454,062)
Net Utility Plant		74,846,545		74,832,747
Other Non-Current Assets:				
Restricted cash, cash equivalents, and investments				
Revenue bond covenant accounts - Cash and cash equivalents		-		1,511,400
Revenue bond covenant accounts - Investments		-		23,129
Investments in associated organizations		3,066,282		2,900,993
Pension costs		164,782		1,081,065
Total Other Non-Current Assets		3,231,064		5,516,587
Current Assets:				
Cash and cash equivalents		8,514,896		7,584,590
Temporary cash investments:				
Unrestricted		-		-
Accounts receivable - Principally customer (less allowance for doubtful accounts of $3,423 in 2015 and $4,034 in 2014)		3,369,307		3,104,469
Materials and supplies		1,091,378		1,103,249
Prepayments and other assets		133,070		134,472
Total Current Assets		13,108,651		11,926,781
Deferred Outflows of Resources:				
Deferred charge on pensions		1,487,085		570,802
Deferred charges on refunding debt		3,647,460		287,913
Total deferred outflows of resources		5,134,545		858,715
Total Assets and Deferred Outflows of Resources	$	96,320,805	$	93,134,830

Liabilities, Net Assets, and Deferred Inflows of Resources		2015		2014
Current Liabilities:				
Accounts payable	$	2,345,635	$	2,513,257
Customer deposits		133,600		128,400
Accrued expenses		913,651		675,688
Long-term debt due within one year		2,414,777		2,143,632
Deferred credits		1,513,507		240,525
Total Current Liabilities		7,321,170		5,701,502
Non-Current Liabilities:				
Long-term portion of termination benefits payable		230,979		397,927
Long-term debt, less amount due within one year		48,541,560		48,928,201
Total Non-current Liabilities		48,772,539		49,326,128
Deferred Inflows of Resources:				
Deferred charge on pensions		1,651,867		1,651,867
Total deferred inflows of resources		1,651,867		1,651,867
Net Assets:				
Invested in utility plant, net of related debt		74,821,925		59,892,423
Restricted for:				
Debt service		-		1,511,400
Utility plant additions		-		23,129
Unrestricted		(36,246,696)		(24,971,620)
Total Net Assets		38,575,229		36,455,332
Total Liabilities, Net Assets and Deferred Inflows of Resources	$	96,320,805	$	93,134,830

The accompanying notes are an integral part of the financial statements

OVERTON POWER DISTRICT NO. 5
Statements of Revenues, Expenses, and Changes In Net Assets
December 31, 2015 and 2014

	2015	2014
Operating Revenues	$ 37,362,368	$ 36,366,208
Operating Expenses:		
Operation-		
Power purchased	25,117,157	23,851,659
Distribution - Operation	577,929	595,905
Distribution - Maintenance	1,375,209	1,423,778
Transmission - Maintenance	743,299	591,471
Depreciation and amortization	1,765,192	1,670,741
General and administrative-		
Customer accounts	1,094,304	1,020,889
Other	2,028,573	2,129,880
Total Operating Expenses	32,701,663	31,284,323
Operating Income / (Loss)	4,660,705	5,081,886
Non-Operating Revenues (Expenses):		
Interest income	26,486	24,416
Interest expense	(2,525,184)	(2,996,829)
Gain/(loss) on sale of assets	(51,202)	(40,220)
Amortization	(70,129)	(72,137)
Patronage capital credits CFC	211,672	219,370
Total Non-Operating Revenues (Expenses)	(2,408,358)	(2,865,400)
Change in Net Assets	2,252,348	2,216,486
Total Net Assets - Beginning of Year	36,455,331	34,481,963
Contributions In Aid of Construction-net	(132,450)	(243,117)
Total Net Assets - End of Year	$ 38,575,229	$ 36,455,331

The accompanying notes are an integral part of the financial statements

OVERTON POWER DISTRICT NO. 5
Statements of Cash Flows
December 31, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities:	$ 37,097,530	$ 36,680,501
Cash paid to suppliers	(27,492,410)	(26,128,677)
Cash paid to employees	(3,527,395)	(3,434,610)
Cash Flows From Operating Activities	6,077,725	7,117,214
Cash Flows From investing Activities:		
Additions to utility plant	(1,778,990)	(1,171,442)
Proceeds from the sale of utility plant assets	(51,202)	(40,220)
Investment earnings	26,486	24,416
Patronage capital credits	211,672	219,370
Investment in related organization	(165,289)	(270,018)
Cash Flows From Investing Activities	(1,757,323)	(1,237,894)
Cash Flows From Financing Activities:		
Proceeds from issuance of bonds	16,805,035	-
Repayment of principal on long-term debt	(20,350,209)	(2,042,027)
Interest paid	(2,525,184)	(2,996,829)
Contributions in aid of construction and customer advances	1,140,532	(370,103)
Customer deposits	5,200	(5,500)
Cash Flows From Financing Activities	(4,924,626)	(5,414,459)
Net Change in Cash and Cash Equivalents	(604,224)	464,861
Cash and Cash Equivalents including Restricted Cash, Beginning of Year	9,119,120	8,654,259
Cash and Cash Equivalents including Restricted Cash, End of Year	$ 8,514,896	$ 9,119,120
Reconcilation of Operating Income / (Loss) to Net Cash Flows from Operating Activities:		
Operating income / (loss)	$ 4,660,705	$ 5,081,886
Adjustments to reconcile operating income / (loss) to cash flows from operating activities-		
Depreciation and amortization	1,765,192	1,670,741
Changes in assets and liabilities-		
(Increase)/decrease in accounts receivable	(264,838)	314,293
(Increase)/decrease in materials and supplies	11,871	11,037
(Increase)/decrease in prepayments and other assets	1,402	(7,580)
(Increase)/decrease in pension costs	916,283	(1,081,065)
(Increase)/decrease in deferred outflows	(916,283)	(570,802)
Increase/(decrease) in accounts payable	(167,622)	246,083
Increase/(decrease) in accrued expenses	71,014	(199,245)
Increase/(decrease) in deferred inflows	-	1,651,867
Cash Flows From Operating Activities	$ 6,077,725	$ 7,117,214

Supplemental Schedule of Interest Paid and Non Cash Investing and Financing Activities:

Interest paid during the year amounted to $2,525,184 in 2015, and $2,996,829 in 2014.

The District disposed of equipment costing $111,788 and $285,174 less accumulated depreciation of $60,586 and $234,317, net of sales proceeds of $-0- and $10,637, resulting in a non-cash loss of $51,202 and $40,220 in 2015 and 2015 respectively.

The accompanying notes are an integral part of the financial statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Nevada 4 Overton, Overton Power District No. 5 was organized in November of 1935 for the purpose of providing electric service to the rural areas of eastern Clark County, Nevada (the Muddy and Virgin River Valleys). The accounting records of the district conform to the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for Class A and B electric utilities borrowers of the Rural Utilities Service.

Regulation - The District's rates are determined by the Board of Directors, subject to certain restrictions. The District's accounting practices and policies are generally consistent with regulatory authorities and the accounting records are maintained in accordance with the Uniform System of Accounts prescribed by regulatory authorities.

Basis of Accounting and Presentation - The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC).

GASB Statement No. 20 requires that the District apply all GASB pronouncements as well as the pronouncements issued on or before November 30, 1989, by the Financial Accounting Standards Board (FASB) and its predecessor organizations, unless those pronouncements conflict with or contradict GASB pronouncements. As provided for in GASB Statement No. 20, the District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

Application of Accounting Standards - Recognizing that the District is a governmental entity organized under Nevada Revised Statute 318, during 2007 the District adopted the accounting and financial reporting policies of the Governmental Accounting Standards Board which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As prescribed by GASB 34, management's discussion and analysis is included as required supplementary information.

Utility Plant and Depreciation - Utility plant in service and under construction is stated at original cost. Cost includes labor, materials, and related indirect costs such as engineering, supervision, transportation, etc. The cost of units of property replaced or renewed, plus removal cost, less salvage, is charged to accumulated depreciation. Maintenance and repairs of utility property are charged to operation expenses. The District provides for depreciation on the straight-line basis for all property over the estimated useful lives of the related assets as follows:

	Annual Percentage Range
Transmission Plant	2.75
Distribution Plant	1.8 - 3.8
General Plant:	
Buildings	2
Transportation	15
Communication	5
Power Operated Equipment	11
Other Equipment	4

Revenues - The principal operating revenues of the District are charges to customers for the sale of electricity. Revenues are recognized as customers are billed. The District accrues revenues for energy delivered from the billing date to the end of the accounting period.

Materials and Supplies - Materials and supplies are stated generally at average cost which is not in excess of market.

Taxes on Income - The District is a State entity authorized by Nevada Revised Statute 318 and is not required to pay Federal income taxes.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on hand, cash in banks and cash temporarily invested in certificates of deposit, money market accounts, open-end mutual funds and cash restricted for debt service and construction.

Deposits and Investments - It is the policy of the District to invest their funds not immediately needed for operating or other purposes in a manner that will provide the greatest investment return consistent with maintaining maximum security. All investments will conform to the provisions of the Nevada Revised Statutes (NRS) and any direction by the governing board.

Pursuant to NRS and the District's investment policy the District may only invest in the following types of securities:

- U.S. Treasuries
- U.S. Agencies
- Money Market Mutual Funds
- Negotiable and Non-Negotiable Certificates of Deposit
- Repurchase Agreements

The following securities although authorized by State Statute shall not be part of the investment program of the District:

- Commercial Paper
- Bankers Acceptances

- Corporate Notes or Bonds
- Collateralized Mortgage Obligations
- Asset Backed Securities

Contributions in Aid of Construction - Contributions in aid of construction are charges to fund construction of the utility plant necessary to extend service to new customers. The payments are initially recorded as liabilities (customer advances for construction), then are reclassified to contributed capital when construction is completed. See note 8.

Estimates - Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Deposits

Deposits and investments of the District are governed by the Nevada Revised Statutes (NRS) except as described in Note 1. The following are discussions of the District's exposure to various risks related to its cash management activities.

Custodial Credit Risk

For deposits, this is the risk that in the event of a bank failure, the District's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. All of the District's deposits are covered by FDIC insurance or are collateralized.

Investments

The provisions of State law (NRS 355.170) govern the investment of public funds.

Temporary and restricted investments for the District consist of bond proceeds to be used for plant expansions, funds which are held in reserve in compliance with bond requirements, short term government securities, commercial paper and open-end mutual funds. All temporary and restricted investments are held in trust for the District and mutual funds are secured by U.S. Government securities or municipal bonds within the State of Nevada. The portion of temporary and restricted investments consisting of bond proceeds is restricted for plant expansion. Also the portion of temporary and restricted investments set aside for retirement of outstanding bonds and plant expansion is classified as restricted. All temporary and restricted investments are reported at fair value.

As of December 31, 2015 and 2014 the District had the following investments and maturities:

2015-

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
		Investment Maturities (in Years)			
U.S. Government Securities	$ -	$ -	$ -	$ -	$ -
Total Fair Value	$ -	$ -	$ -	$ -	$ -

2014-

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
		Investment Maturities (in Years)			
U.S. Government Securities	$ 23,129	$ 23,129	$ -	$ -	$ -
Total Fair Value	$ 23,129	$ 23,129	$ -	$ -	$ -

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (NRS 355.170).

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing it exposure to credit risk is to comply with the provisions of State law (NRS 355.170).

As of December 31, 2015 and 2014 the District had the following investments and quality ratings:

2015-

Investment Type	Fair Value	AAA	AA	A	Unrated
			Quality Ratings		
U.S. Government Securities	$ -	$ -	$ -	$ -	$ -
Total Fair Value	$ -	$ -	$ -	$ -	$ -

2014-

Investment Type	Fair Value	AAA	AA	A	Unrated
			Quality Ratings		
U.S. Government Securities	$ 23,129	$ 23,129	$ -	$ -	$ -
Total Fair Value	$ 23,129	$ 23,129	$ -	$ -	$ -

3. UTILITY PLANT

During the years ended December 31, 2015 and 2014, the following changes occurred in the District's utility plant as follows:

	Balance at 12/31/2014	Additions	Deletions	Balance at 12/31/2015
Transmission Plant	$ 21,776,683	$ 601,953	$ (6,269)	$ 22,372,367
Distribution Plant	68,135,193	1,437,851	(247,617)	69,325,427
General Plant	8,525,886	513,292	(24,984)	9,014,194
Under construction	2,849,047	1,475,935	(1,463,492)	2,861,490
Subtotal	101,286,809	4,029,031	(1,742,362)	103,573,478
Accumulated depreciation	(26,454,062)	(2,522,132)	249,262	(28,726,932)
Net Utility Plant Assets	$ 74,832,747	$ 1,506,899	$ (1,493,100)	$ 74,846,546

	Balance at 12/31/2013	Additions	Deletions	Balance at 12/31/2014
Transmission Plant	$ 21,725,478	$ 56,290	$ (5,085)	$ 21,776,683
Distribution Plant	64,472,421	3,970,311	(307,539)	68,135,193
General Plant	8,583,291	155,389	(212,794)	8,525,886
Under construction	5,105,567	1,361,046	(3,617,566)	2,849,047
Subtotal	99,886,757	5,543,036	(4,142,984)	101,286,809
Accumulated depreciation	(24,554,715)	(2,787,639)	888,292	(26,454,062)
Net Utility Plant Assets	$ 75,332,042	$ 2,755,397	$ (3,254,692)	$ 74,832,747

4. INVESTMENTS IN ASSOCIATED ORGANIZATIONS

To join NRUCFC and establish eligibility to borrow, the District has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. The subscription certificates mature in 2085 and bear interest at 3% for the first fifteen years, 4% for the next seven years and 5% thereafter. The loan certificates mature and will be returned when the loans are paid off.

Investments in associated organizations consists of the following:

	2015	2014
NRUCFC Membership	$ 1,000	$ 1,000
NRUCFC Subscription Certificates	143,600	143,600
NRUCFC Loan Certificates	1,180,000	1,180,000
CFC Patronage Capital Certificates	1,096,902	1,018,438
CFC Patronage Capital Securities	400,000	350,000
SEDC Patronage Capital	105,710	92,466
FREIE Patronage Capital	136,889	115,488
Western Unit Patronage Capital	2,181	-
	$ 3,066,282	$2,900,992

5. CONTRIBUTED CAPITAL

Contributed capital consists of contributions-in-aid to construction from customers. Contributed capital is amortized over the same estimated useful lives of the utility plant constructed with the contributed capital. Depreciation expense is reduced by the amount of contributed capital. The amount of contributed capital amortized during 2015 and 2014 was $665,358 and $635,015.

Utility plant in service constructed by the use of contributed capital and related accumulated amortization are summarized as follows:

	As of 12/31/2015	As of 12/31/2014
Contributed Amount	$ 26,302,100	$ 25,769,191
Accumulated Amortization	(8,178,062)	(7,512,704)
Net	$ 18,124,038	$ 18,256,487

6. LONG-TERM DEBT

During the years ended December 31, 2015 and 2014, the following changes occurred in the District's long term debt:

	Balance 12/31/2014	Additions	Retirements	Balance 12/31/2015	Current Portion
NRUCFC Loans Payable	$ 36,131,511	$ 16,805,035	$ (2,004,828)	$ 50,931,718	$ 2,414,777
Series 2008 Special Revenue Bonds Payable	14,915,000	-	(14,915,000)	-	-
Bond Premiums	25,322	-	(703)	24,619	-
Voluntary Termination Benefits	423,191	-	(163,135)	260,056	29,077
Total Long-Term Debt	$ 51,495,024	$ 16,805,035	$ (17,083,666)	$ 51,216,393	$ 2,443,854

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014	Current Portion
NRUCFC Loans Payable	$ 37,942,483	$ -	$ (1,810,972)	$ 36,131,511	$ 1,898,632
Series 2008 Special Revenue Bonds Payable	15,145,000	-	(230,000)	14,915,000	245,000
Bond Premiums	26,378	-	(1,056)	25,322	-
Voluntary Termination Benefits	447,095	2,497	(26,401)	423,191	26,401
Total Long-Term Debt	$ 53,560,956	$ 2,497	$ (2,068,429)	$ 51,495,024	$ 2,170,033

The current portion of voluntary benefits payable is included in accrued expenses on the statement of net assets.

Long-term debt consists of the following:

On December 29, 2003, the District borrowed $59,000,000, from National Rural Utilities Cooperative Finance Corporation (NRUCFC) in the form of nine separate notes ranging from $5,000,000 to $7,000,000. The notes are payable quarterly with interest ranging from 3.25% to 5.95%. The notes were originally scheduled to mature on September 30, 2020. During 2009 the maturity dates of the notes were extended to 2028. Under the terms of the NRUCFC notes, all assets of the District are pledged as security. Proceeds from these notes were used to retire outstanding Special Obligation Bonds and a legal settlement.

	2015	2014
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%,	$ 3,008,998	$ 3,162,606
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%,	3,008,998	3,162,606
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.95%,	4,235,371	4,451,585
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.23%,	4,110,477	4,315,917
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.33%,	4,100,501	4,303,893
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.25%,	3,960,257	4,207,149
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.45%,	3,841,485	4,077,736
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.80%.	3,913,318	4,152,023
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.90%,	4,049,197	4,297,994
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.60%,	16,648,450	-
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.60%,	54,666	-
Special Obligation Revenue Bonds, Series 2008, due in annual principal and interest installments bearing interest at a rate ranging from 4.50% to 8.00%, maturing December 1, 2038	-	14,915,000
Bond premiums on 2008 Special Obligation	24,619	25,323
Total long term debt	50,956,337	51,071,832
Less amounts due within one year	(2,414,777)	(2,143,632)
Long term debt, net of current portion	$ 48,541,561	$ 48,928,201

The District obtained a perpetual line of credit from NRUCFC in the amount of $5,000,000. The line of credit currently bears interest at the prime rate plus 1% and renews each year for another twelve months unless either party terminates the agreement by providing written notice. The outstanding balance at December 31, 2014 and 2013 was $-0- and $-0- respectively.

To join NRUCFC and establish eligibility to borrow, the District has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. See Note 4.

Maturities of long term debt are as follows:

Year Ended	2015 Principal	2015 Interest	Year Ended	2014 Principal	2014 Interest
2016	$ 2,414,777	$ 2,389,719	2015	$ 2,143,632	$ 2,898,451
2017	2,530,892	2,273,603	2016	2,245,874	2,792,121
2018	2,652,982	2,151,513	2017	2,357,951	2,679,744
2019	2,781,371	2,023,124	2018	2,480,133	2,560,687
2020	2,916,404	1,888,092	2019	2,607,705	2,434,265
2021-2025	16,866,650	7,155,827	2020-2024	15,237,910	9,966,603
2026-2030	12,903,391	2,970,570	2025-2029	15,173,304	5,494,801
2031-2035	4,574,286	1,329,249	2030-2034	4,135,000	2,909,600
Thereafter	3,290,964	251,155	Thereafter	4,665,000	968,800
	-	-		-	-
Totals	$ 50,931,717	$ 22,432,852		$ 51,046,509	$ 32,705,072

Based on the borrowing rates currently available to the District for loans with similar term and average maturities, the fair value of long term debt is approximately $50,931,717 and $51,046,509 at December 31, 2015 and 2014 respectively.

During 2015, the District borrowed $16,750,035 from NRUCFC. The proceeds plus additional cash in the amount of $1,539,641 were deposited to an irrevocable escrow account with a third party trustee to effect an in substance defeasance of $14,915,000 in existing Special Obligation Revenue Bonds. Debt service requirements for the old debt totals $33,115,199; debt service for the new debt will be $27,597,577, resulting in a cash flow savings of $5,5517,622 less additional cash deposited by the District of $1,413,472 of a net cash flow savings of $4,104,150 and a net present value savings of $1,757,558. Both the old and new debt are scheduled to mature in 2038.

7. DEFERRED CREDITS

Deferred credits consist of customer advances for construction which will be transferred to contributed capital when the construction is completed.

8. PENSION PLAN

Plan Description. The District contributes to the Public Employees Retirement System of the State of Nevada (PERS) which is a multiple-employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to public employees of the State of Nevada and participating entities. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The System issues a publicly available financial report. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 2010. Benefit payments to which participants of their beneficiaries may be entitled under the pan included pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575-.579.

Regular members are eligible for retirement at age 65 with five years of service, at 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Funding Policy. Benefits for plan members are funded under the employer pay method. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. The contribution requirements of the Plan members and the District are established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The payroll for employees covered by PERS for the years ended December 31, 2015 and 2014 were $3,441,845 and $3,491,068 respectively. The District's total payroll for the years ended December 31, 2015 and 2014 were $3,527,395 and $3,598,966 respectively.

The District's contribution rates and amounts contributed for the last three years are as follows:

Year	Contribution Rate Regular Members	Total Contributions
2015	25.75% - 28%	$ 916,283
2014	25.75%	$ 898,947
2013	23.75% - 25.75%	$ 930,927

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2015, the District reported a liability of $6,405,156, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculated the net position liability was determined by an actuarial valuation as of that dated. The District's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014. At June 30, 2014, the District's proportion was 0.06146 percent.

For the year ended December 31, 2015, the District recognized pension expense of $916,283. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pension form the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	$ -	$ 306,522
Net difference between projected and actual earnings on pension plan investments	-	1,345,345
Changes in proportion and differences between District contributiona and proportionate share of contributions	57,614	-
District contributions subsequent to measurement date	1,429,471	-
Total	$ 1,487,085	$ 1,651,867

$1,429,471, was reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:		
2016	$	376,506
2017		376,506
2018		376,506
2019		376,506
2020		51,900
2021		36,330
	$	1,594,254

Actuarial Assumptions. The System's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.6% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer price index	3.50%

Mortality rates were based on the RP-2000 Combined Healthy Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013. The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs to the System.

The following as the Board adopted policy target asset allocation as of June 30, 2015:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestice Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	0.68%

*As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Discount Rate. The discount rate used ot measure the total pension liability was 8% as of June 30, 2014. The projections of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return pm pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

Sensitivity of the District's proportionate share of the net pension liability to change in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (7.0%)	Discount Rate (8%)	1.0% Increase (9.0%)
District's proportionate share of the net pension liability	$ 9,961,017	$ 6,405,156	$ 3,449,682

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Pension Contributions Payable. The District's accrued contributions payable at December 31, 2015 and 2014 were $74,835 and $67,324.

9. COMPENSATED ABSENCES

Included in accrued expenses is $578,725 and $530,880 which represents accrued but unpaid vacation and sick pay as of December 31, 2015 and 2014.

10. VOLUNTARY TERMINATION BENEFITS

In 2008 the State of Nevada offered an early retirement incentive to employees who would retire prior to August 31, 2008. The incentive provided health insurance benefits with coverage limited to the retired employee and their spouse (if applicable). The District as a political subdivision of the State of Nevada was obligated to offer the benefits to its qualifying employees. As of August 31, 2008 seven District employees opted to retire and receive the benefit.

In accordance with Statement No. 47 issued by the Governmental Accounting Standards Board, an employer should recognize a liability and expense for the voluntary termination benefits when the employees accept the offer and the amounts can be estimated. Measurement of the liability should be updated with any incremental liability and expense (positive or negative) to be recognized, as of the end of each subsequent reporting period.

The estimated liability for the benefits as of December 31, 2015 and 2014 are as follows:

Termination benefits payable as of 12/31/14	$ 423,191
Incremental adjustment for 2015	(163,135)
Termination benefits payable as of 12/31/15	$ 260,056

11. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 22, 2016, the date that the financial statements were available to be issued.

HAFEN | BUCKNER

Certified Public Accountants
www.hbeg.com

90 E 200 N
St. George, UT 84770

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Overton Power District No. 5
Overton, NV

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements which collectively comprise the basic financial statements of Overton Power District No.5 (the District), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise The District's basic financial statements, and have issued our report thereon dated February 22, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hafen, Buckner, Everett, & Graff, PC

Hafen, Buckner, Everett, & Graff, PC

February 22, 2016

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power District No. 5
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	2 Needs Attention	**AUTHORIZATION CHOICES**
[signature] 3/27/18 Signature of Office Manager or Accountant — Date	2 Please Review	A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? ◉ YES ○ NO
Terry Powers 3-27-18 Signature of Manager — Date	17 Matches	B. Will you authorize CFC to share your data with other cooperatives? ◉ YES ○ NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)
1. Operating Revenue and Patronage Capital	37,636,085	37,938,584	37,966,494	2,371,916
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	22,294,687	19,859,718	21,547,505	1,668,342
4. Transmission Expense	578,181	562,392	598,506	55,346
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	967,007	902,169	1,049,734	354,293
7. Distribution Expense - Maintenance	1,554,738	1,226,602	1,574,601	107,170
8. Consumer Accounts Expense	1,213,412	1,230,715	1,259,645	104,401
9. Customer Service and Informational Expense	54,305	55,240	52,485	0
10. Sales Expense	0	0	0	0
11. Administrative and General Expense	2,202,605	2,250,814	2,281,130	124,914
12. Total Operation & Maintenance Expense (2 thru 11)	**28,864,934**	**26,087,650**	**28,363,606**	**2,414,465**
13. Depreciation & Amortization Expense	1,809,019	1,894,418	1,910,932	161,598
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	2,158,293	2,062,287	2,278,596	167,889
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	176,346	164,119	176,346	13,677
20. Total Cost of Electric Service (12 thru 19)	**33,008,593**	**30,208,474**	**32,729,480**	**2,757,629**
21. Patronage Capital & Operating Margins (1 minus 20)	**4,627,492**	**7,730,110**	**5,237,014**	**(385,714)**
22. Non Operating Margins - Interest	33,611	25,298	29,844	374
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	(10,718)	(143,087)	(174,800)	(75,886)
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	234,035	237,650	213,370	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	**4,884,419**	**7,849,971**	**5,305,428**	**(461,226)**

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	240	343	5. Miles Transmission	93	93
2. Services Retired	0	0	6. Miles Distribution Overhead	336	336
3. Total Services In Place	15,120	15,542	7. Miles Distribution Underground	409	412
4. Idle Services (Exclude Seasonal)	0	0	**8. Total Miles Energized (5+6+7)**	**838**	**841**

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		BORROWER NAME	Overton Power D
		BORROWER DESIGNATION	NV004
		ENDING DATE	12/31/2017

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	107,566,044	29. Memberships	0
2. Construction Work in Progress	2,064,377	30. Patronage Capital	0
3. Total Utility Plant (1+2)	**109,630,421**	31. Operating Margins - Prior Years	25,335,611
4. Accum. Provision for Depreciation and Amort	32,904,080	32. Operating Margins - Current Year	7,824,672
5. Net Utility Plant (3-4)	**76,726,341**	33. Non-Operating Margins	25,298
6. Nonutility Property - Net	0	34. Other Margins & Equities	17,674,208
7. Investment in Subsidiary Companies	0	**35. Total Margins & Equities (29 thru 34)**	**50,859,789**
8. Invest. in Assoc. Org. - Patronage Capital	2,929,427	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	45,988,502
10. Invest in Assoc. Org. - Other - Nongeneral Funds	0	**38. Total Long-Term Debt (36 + 37)**	**45,988,502**
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	0	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	**41. Total Other Noncurrent Liabilities (39+40)**	**0**
14. Total Other Property & Investments (6 thru 13)	**2,929,427**	42. Notes Payable	0
15. Cash-General Funds	11,188,645	43. Accounts Payable	1,646,065
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	123,750
17. Special Deposits	0	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	2,465,728	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	3,194,062	48. Other Current & Accrued Liabilities	1,188,269
21. Accounts Receivable - Net Other	34,676	**49. Total Current & Accrued Liabilities (42 thru 48)**	**2,958,084**
22. Renewable Energy Credits	0	50. Deferred Credits	1,367,451
23. Materials & Supplies - Electric and Other	1,294,843	**51. Total Liabilities & Other Credits (35+38+41+49+50)**	**101,173,827**
24. Prepayments	147,597		
25. Other Current & Accrued Assets	0	**ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION**	
26. Total Current & Accrued Assets (15 thru 25)	**18,325,551**	Balance Beginning of Year	0
27. Deferred Debits	3,192,508	Amounts Received This Year (Net)	0
28. Total Assets & Other Debits (5+14+26+27)	**101,173,827**	**TOTAL Contributions-In-Aid-Of-Construction**	**0**

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

PART E. CHANGES IN UTILITY PLANT

	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1	Distribution Plant Subtotal	70,093,696	3,551,039	442,077	0	73,202,658
2	General Plant Subtotal	3,853,317	460,758	188,805	0	4,125,271
3	Headquarters Plant	5,496,144	13,877	1,234	0	5,508,787
4	Intangibles	0	0	0	0	0
5	Transmission Plant Subtotal	24,201,411	560,923	33,005	0	24,729,329
6	Regional Transmission and Market Operation Plant	0	0	0	0	0
7	Production Plant - Steam	0	0	0	0	0
8	Production Plant - Nuclear	0	0	0	0	0
9	Production Plant - Hydro	0	0	0	0	0
10	Production Plant - Other	0	0	0	0	0
11	All Other Utility Plant	0	0	0	0	0
12	**SUBTOTAL: (1 thru 11)**	103,644,567	4,586,597	665,120	0	107,566,044
13	Construction Work in Progress	1,475,174	589,203			2,064,377
14	**TOTAL UTILITY PLANT (12+13)**	105,119,741	5,175,800	665,120	0	109,630,421

CFC NO LONGER REQUIRES SECTIONS "F", "G", AND "N" DATA

These sections refer to data on "Analysis of Accumulated Provision for Depreciation" (F), "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and "Conservation Data" (P).

PART H. SERVICE INTERRUPTIONS

	ITEM	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	TOTAL (e)
		Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)	
1.	Present Year	0.00	6.50	1.44	21.90	29.84
2.	Five-Year Average	0.00	194.79	3.53	16.85	215.17

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	48	4.	Payroll - Expensed	3,534,609
2. Employee - Hours Worked - Regular Time	99,027	5.	Payroll - Capitalized	377,476
3. Employee - Hours Worked - Overtime	2,335	6.	Payroll - Other	0

PART J. PATRONAGE CAPITAL

	ITEM	THIS YEAR (a)	CUMULATIVE (b)
1.	General Retirement	0	0
2.	Special Retirements	0	0
3.	**Total Retirements (1+2)**	0	0
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	0	
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	98,699	
6.	**Total Cash Received (4+5)**	98,699	

PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days:	4,478
2. Amount Written Off During Year:	1,788

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

PART I. KWH PURCHASED AND TOTAL COST

	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	AVERAGE COST PER KWH (cents) (g)	INCLUDED IN TOTAL COST: FUEL COST ADJUSTMENT (h)	INCLUDED IN TOTAL COST: WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)
1	Morgan Stanley			0 None	303,987,000	15,478,174	5.09	0	0	Comments
2	Colorado River Commission			0 None	86,342,690	2,359,944	2.73	0	0	Comments
3	NV Energy			0 None	5,065,128	1,811,628	35.77	0	1,558,270	Comments
4				0 None	0	0	0.00	0	0	Comments
5				0 None	0	0	0.00	0	0	Comments
6				0 None	0	0	0.00	0	0	Comments
7				0 None	0	0	0.00	0	0	Comments
8				0 None	0	0	0.00	0	0	Comments
9				0 None	0	0	0.00	0	0	Comments
10				0 None	0	0	0.00	0	0	Comments
11				0 None	0	0	0.00	0	0	Comments
12				0 None	0	0	0.00	0	0	Comments
13				0 None	0	0	0.00	0	0	Comments
14				0 None	0	0	0.00	0	0	Comments
15				0 None	0	0	0.00	0	0	Comments
16				0 None	0	0	0.00	0	0	Comments
17				0 None	0	0	0.00	0	0	Comments
18				0 None	0	0	0.00	0	0	Comments
19				0 None	0	0	0.00	0	0	Comments
20				0 None	0	0	0.00	0	0	Comments
21	TOTALS				395,394,818	19,649,746	4.97	0	1,558,270	

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

PART I. KWH PURCHASED AND TOTAL COST (Continued)

COMMENTS	
1	
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CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

*LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")*

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			$0
2.			$0
3.		TOTAL	$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an intial cost in excess of $250,000).

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	CFC USE ONLY (d)
1	National Rural Utilities Cooperative Finance Corporation	45,988,502	2,062,287	2,089,272	4,151,560	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4		0	0	0	0	
5		0	0	0	0	
6		0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			0		
12	TOTAL (Sum of 1 thru 9)	$45,988,502	$2,062,287	$2,089,272	$4,151,560	

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

PART R. POWER REQUIREMENTS DATABASE

CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS (a)	DECEMBER CONSUMERS (b)	AVERAGE CONSUMERS (c)	TOTAL KWH SALES AND REVENUE (d)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	12,624	12,950	12,787	
	b. KWH Sold				174,038,051
	c. Revenue				18,793,753
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
3. Irrigation Sales	a. No. Consumers Served	43	41	42	
	b. KWH Sold				898,935
	c. Revenue				101,319
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,042	2,059	2,051	
	b. KWH Sold				77,484,039
	c. Revenue				7,784,967
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	29	13	21	
	b. KWH Sold				81,542,115
	c. Revenue				6,891,786
6. Public Street & Highway Lighting	a. No. Consumers Served	238	241	240	
	b. KWH Sold				3,457,958
	c. Revenue				359,026
7. Other Sales to Public Authority	a. No. Consumers Served	239	238	239	
	b. KWH Sold				31,970,989
	c. Revenue				2,904,123
8. Sales for Resales-RUS Borrowers	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
10. TOTAL No. of Consumers (lines 1a thru 9a)		**15,215**	**15,542**	**15,379**	0
11. TOTAL KWH Sold (lines 1b thru 9b)					**369,392,087**
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)					**36,834,974**
13. Transmission Revenue					0
14. Other Electric Revenue					1,103,611
15. KWH - Own Use					655,380
16. TOTAL KWH Purchased					395,394,818
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					19,859,718
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					98,124
	○ None	◉ Non-coincident	○ Coincident		

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

PART 8. ENERGY EFFICIENCY PROGRAMS

Line #	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	0	0	0	0	0	0
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	0	0	0
4.	Comm. and Ind. 1000 KVA or Less	0	0	0	0	0	0
5.	Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6.	Public Street and Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authorities	0	0	0	0	0	0
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	TOTAL	0	0	0	0	0	0

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

(All investments refer to your most recent CFC Loan Agreement)

7a - PART 1 - INVESTMENTS

	DESCRIPTION (a)	INCLUDED ($) (b)	EXCLUDED ($) (c)	INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5	CFC		2,615,756	
6	Federated	178,403		
7	SEDC	117,164		
8	Western United, Co-Bank, CRC	18,102		
	Subtotal (Line 5 thru 8)	313,671	2,615,756	0
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
9				
10				
11				
12				
	Subtotal (Line 9 thru 12)	0	0	0
4. OTHER INVESTMENTS				
13				
14				
15				
16				
	Subtotal (Line 13 thru 16)	0	0	0
5. SPECIAL FUNDS				
17				
18				
19				
20				
	Subtotal (Line 17 thru 20)	0	0	0
6. CASH - GENERAL				
21	Bank of Nevada	10,610,131		
22	America First Credit Union	576,814		
23	Petty Cash	1,700		
24				
	Subtotal (Line 21 thru 24)	11,188,645	0	0
7. SPECIAL DEPOSITS				
25				
26				
27				
28				
	Subtotal (Line 25 thru 28)	0	0	0
8. TEMPORARY INVESTMENTS				
29	America First Credit Union	1,355		
30	CFC Member Capital Securities		450,000	
31	Bank of Nevada	2,014,373		
32				
	Subtotal (Line 29 thru 32)	2,015,728	450,000	0
9. ACCOUNT & NOTES RECEIVABLE - NET				
33	Accounts Receivable	34,676		
34				
35				
36				
	Subtotal (Line 33 thru 36)	34,676	0	0
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
37				
38				
39				
40				
	Subtotal (Line 37 thru 40)	0	0	0
	Total	13,552,720	3,065,756	0

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2017

(All investments refer to your most recent CFC Loan Agreement)

7a - PART II. LOAN GUARANTEES

Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount ($) (c)	Performance Guarantee Exposure or Loan Balance ($) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			**0**	**0**	**0**

7a - PART III. LOANS

Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			**0**	**0**	**0**

7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES

1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)		**13,552,720**
2	LARGER OF (a) OR (b)		**25,429,895**
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)	16,444,563	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)	25,429,895	

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power District No. 5
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2016

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Michelle Harrac 3/29/17

Signature of Office Manager or Accountant — Date

Terry Romero 3-22-17

Signature of Manager — Date

BALANCE CHECK RESULTS

- 2 Needs Attention
- 2 Please Review
- 17 Matches

AUTHORIZATION CHOICES

A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?

YES (selected) NO

B. Will you authorize CFC to share your data with other cooperatives?

YES (selected) NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	YEAR-TO-DATE BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	37,362,368	37,636,085	37,861,797	2,923,358
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	25,117,157	22,294,687	25,092,247	1,744,461
4. Transmission Expense	743,299	578,181	773,032	53,021
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	869,771	967,007	933,911	101,954
7. Distribution Expense - Maintenance	1,375,209	1,554,738	1,400,867	111,161
8. Consumer Accounts Expense	1,094,304	1,213,412	1,185,355	109,601
9. Customer Service and Informational Expense	45,460	54,305	0	6,289
10. Sales Expense	0	0	0	0
11. Administrative and General Expense	1,691,272	2,202,605	1,985,782	172,688
12. Total Operation & Maintenance Expense (2 thru 11)	**30,936,471**	**28,864,934**	**31,371,194**	**2,299,176**
13. Depreciation & Amortization Expense	1,765,192	1,809,019	1,864,449	154,050
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	2,525,184	2,158,293	2,394,488	172,410
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	70,129	176,346	0	13,677
20. Total Cost of Electric Service (12 thru 19)	**35,296,976**	**33,008,593**	**35,630,131**	**2,639,312**
21. Patronage Capital & Operating Margins (1 minus 20)	**2,065,392**	**4,627,492**	**2,231,666**	**284,046**
22. Non Operating Margins - Interest	26,486	33,611	30,124	373
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	(51,202)	(10,718)	(40,995)	0
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	211,672	234,035	250,000	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	**2,252,348**	**4,884,419**	**2,470,795**	**284,419**

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)
1. New Services Connected	0	265	5. Miles Transmission	93	93
2. Services Retired	0	0	6. Miles Distribution Overhead	336	336
3. Total Services In Place	14,864	15,174	7. Miles Distribution Underground	402	409
4. Idle Services (Exclude Seasonal)	0	0	**8. Total Miles Energized (5+6+7)**	**831**	**838**

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2016

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	103,644,567	29. Memberships	0
2. Construction Work in Progress	1,475,174	30. Patronage Capital	0
3. Total Utility Plant (1+2)	**105,119,741**	31. Operating Margins - Prior Years	20,451,192
4. Accum. Provision for Depreciation and Amort	30,786,268	32. Operating Margins - Current Year	4,850,808
5. Net Utility Plant (3-4)	**74,333,473**	33. Non-Operating Margins	33,611
6. Nonutility Property - Net	0	34. Other Margins & Equities	17,821,267
7. Investment in Subsidiary Companies	0	**35. Total Margins & Equities (29 thru 34)**	**43,156,877**
8. Invest. in Assoc. Org. - Patronage Capital	2,804,213	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	48,516,941
10. Invest in Assoc. Org. - Other - Nongeneral Funds	0	**38. Total Long-Term Debt (36 + 37)**	**48,516,941**
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	0	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	**41. Total Other Noncurrent Liabilities (39+40)**	**0**
14. Total Other Property & Investments (6 thru 13)	**2,804,213**	42. Notes Payable	0
15. Cash-General Funds	8,822,800	43. Accounts Payable	1,944,906
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	128,300
17. Special Deposits	0	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	2,410,417	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	3,256,616	48. Other Current & Accrued Liabilities	1,309,137
21. Accounts Receivable - Net Other	(70,007)	**49. Total Current & Accrued Liabilities (42 thru 48)**	**3,382,343**
22. Renewable Energy Credits	0	50. Deferred Credits	2,633,816
23. Materials & Supplies - Electric and Other	1,238,474	**51. Total Liabilities & Other Credits (35+38+41+49+50)**	**97,689,977**
24. Prepayments	142,091		
25. Other Current & Accrued Assets	0	**ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION**	
26. Total Current & Accrued Assets (15 thru 25)	**15,800,392**	Balance Beginning of Year	
27. Deferred Debits	4,751,899	Amounts Received This Year (Net)	
28. Total Assets & Other Debits (5+14+26+27)	**97,689,977**	**TOTAL Contributions-In-Aid-Of-Construction**	**0**

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2016

PART E. CHANGES IN UTILITY PLANT

	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1	Distribution Plant Subtotal	69,325,427	1,200,209	431,936	(5)	70,093,695
2	General Plant Subtotal	3,543,581	332,459	22,723	0	3,853,317
3	Headquarters Plant	5,496,144	0	0	0	5,496,144
4	Intangibles	0	0	0	0	0
5	Transmission Plant Subtotal	22,372,367	1,834,181	5,137	0	24,201,411
6	Regional Transmission and Market Operation Plant	0	0	0	0	0
7	Production Plant - Steam	0	0	0	0	0
8	Production Plant - Nuclear	0	0	0	0	0
9	Production Plant - Hydro	0	0	0	0	0
10	Production Plant - Other	0	0	0	0	0
11	All Other Utility Plant	0	0	0	0	0
12	**SUBTOTAL: (1 thru 11)**	**100,737,519**	**3,366,849**	**459,796**	**(5)**	**103,644,567**
13	Construction Work in Progress	2,861,490	(1,386,316)			1,475,174
14	**TOTAL UTILITY PLANT (12+13)**	**103,599,009**	**1,980,533**	**459,796**	**(5)**	**105,119,741**

CFC NO LONGER REQUIRES SECTIONS "F", "G", AND "N" DATA

Those sections refer to data on "Analysis of Accumulated Provision for Depreciation" (F), "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and "Conservation Data" (P).

PART H. SERVICE INTERRUPTIONS

	ITEM	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	TOTAL (e)
		Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)	
1.	Present Year	0.00	967.44	2.17	14.71	984.32
2.	Five-Year Average	0.00	193.49	2.62	19.46	215.57

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	45	4.	Payroll - Expensed	3,574,910
2. Employee - Hours Worked - Regular Time	8,168	5.	Payroll - Capitalized	260,153
3. Employee - Hours Worked - Overtime	147	6.	Payroll - Other	0

PART J. PATRONAGE CAPITAL

	ITEM	THIS YEAR (a)	CUMULATIVE (b)
1.	General Retirement	0	0
2.	Special Retirements	0	0
3.	**Total Retirements (1+2)**	**0**	**0**
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	0	
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	95,555	
6.	**Total Cash Received (4+5)**	**95,555**	

PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days:	1,827
2. Amount Written Off During Year:	34

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2016

PART I. KWH PURCHASED AND TOTAL COST

	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	AVERAGE COST PER KWH (cents) (g)	INCLUDED IN TOTAL COST: FUEL COST ADJUSTMENT (h)	INCLUDED IN TOTAL COST: WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)
1	Colorado River Commission			0 None	94,366,603	2,404,114	2.55	0	0	Comments
2	Arizona Public Service			0 None	192,840,000	12,083,760	6.27	0	0	Comments
3	Morgan Stanley			0 None	98,383,000	4,613,428	4.69	0	0	Comments
4	NV Energy			0 None	3,154,447	2,944,328	93.34	0	1,781,393	Comments
5				0 None	0	0	0.00	0	0	Comments
6				0 None	0	0	0.00	0	0	Comments
7				0 None	0	0	0.00	0	0	Comments
8				0 None	0	0	0.00	0	0	Comments
9				0 None	0	0	0.00	0	0	Comments
10				0 None	0	0	0.00	0	0	Comments
11				0 None	0	0	0.00	0	0	Comments
12				0 None	0	0	0.00	0	0	Comments
13				0 None	0	0	0.00	0	0	Comments
14				0 None	0	0	0.00	0	0	Comments
15				0 None	0	0	0.00	0	0	Comments
16				0 None	0	0	0.00	0	0	Comments
17				0 None	0	0	0.00	0	0	Comments
18				0 None	0	0	0.00	0	0	Comments
19				0 None	0	0	0.00	0	0	Comments
20				0 None	0	0	0.00	0	0	Comments
21	TOTALS				388,744,050	22,045,630	5.67	0	1,781,393	

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NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
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PART I. KWH PURCHASED AND TOTAL COST (Continued)

COMMENTS	
1	
2	
3	
4	
5	
6	
7	
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11	
12	
13	
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	BORROWER NAME	Overton Power D
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PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

*LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")*

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			$0
2.			$0
3.		TOTAL	$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an intial cost in excess of $250,000).

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	CFC USE ONLY (d)
1	National Rural Utilities Cooperative Finance Corporation	48,516,941	2,158,293	2,414,777	4,573,070	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4		0	0	0	0	
5		0	0	0	0	
6		0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			0		
12	TOTAL (Sum of 1 thru 9)	$48,516,941	$2,158,293	$2,414,777	$4,573,070	

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT				
BORROWER NAME	Overton Power D			
BORROWER DESIGNATION	NV004			
ENDING DATE	12/31/2016			

PART R. POWER REQUIREMENTS DATA BASE

CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS (a)	DECEMBER CONSUMERS (b)	AVERAGE CONSUMERS (c)	TOTAL KWH SALES AND REVENUE (d)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	12,309	12,598	12,454	
	b. KWH Sold				169,912,056
	c. Revenue				18,046,083
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
3. Irrigation Sales	a. No. Consumers Served	45	45	45	
	b. KWH Sold				1,058,665
	c. Revenue				114,339
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,091	2,024	2,058	
	b. KWH Sold				80,433,843
	c. Revenue				7,906,587
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	33	27	30	
	b. KWH Sold				76,845,794
	c. Revenue				7,376,430
6. Public Street & Highway Lighting	a. No. Consumers Served	227	238	233	
	b. KWH Sold				3,109,172
	c. Revenue				376,183
7. Other Sales to Public Authority	a. No. Consumers Served	206	242	224	
	b. KWH Sold				31,606,096
	c. Revenue				2,993,800
8. Sales for Resales-RUS Borrowers	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
10. TOTAL No. of Consumers (lines 1a thru 9a)		**14,911**	**15,174**	**15,043**	
11. TOTAL KWH Sold (lines 1b thru 9b)					**362,965,626**
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)					**36,813,422**
13. Transmission Revenue					0
14. Other Electric Revenue					822,662
15. KWH - Own Use					625,979
16. TOTAL KWH Purchased					388,744,050
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					22,294,687
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					102,952

○ None ● Non-coincident ○ Coincident

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NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
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	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2016

PART 8. ENERGY EFFICIENCY PROGRAMS

Line #	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	0	0	0	0	0	0
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	0	0	0
4.	Comm. and Ind. 1000 KVA or Less	0	0	0	0	0	0
5.	Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6.	Public Street and Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authorities	0	0	0	0	0	0
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	TOTAL	0	0	0	0	0	0

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	ENDING DATE		12/31/2016

(All investments refer to your most recent CFC Loan Agreement)

7a - PART I - INVESTMENTS

	DESCRIPTION (a)	INCLUDED ($) (b)	EXCLUDED ($) (c)	INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5	NRUCFC, Federated, SEDC	287,156	2,517,057	0
6		0	0	0
7		0	0	0
8		0	0	0
	Subtotal (Line 5 thru 8)	**287,156**	**2,517,057**	**0**
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
9		0	0	0
10		0	0	0
11		0	0	0
12		0	0	0
	Subtotal (Line 9 thru 12)	**0**	**0**	**0**
4. OTHER INVESTMENTS				
13		0	0	0
14		0	0	0
15		0	0	0
16		0	0	0
	Subtotal (Line 13 thru 16)	**0**	**0**	**0**
5. SPECIAL FUNDS				
17		0	0	0
18		0	0	0
19		0	0	0
20		0	0	0
	Subtotal (Line 17 thru 20)	**0**	**0**	**0**
6. CASH - GENERAL				
21	Bank of Nevada	8,238,550	0	0
22	America First Credit Union	582,550	0	0
23	Petty Cash	1,700	0	0
24		0	0	0
	Subtotal (Line 21 thru 24)	**8,822,800**	**0**	**0**
7. SPECIAL DEPOSITS				
25		0	0	0
26		0	0	0
27		0	0	0
28		0	0	0
	Subtotal (Line 25 thru 28)	**0**	**0**	**0**
8. TEMPORARY INVESTMENTS				
29	America First Credit Union	67	0	0
30	CFC Member Capital Securities	400,000	0	0
31	Bank of Nevada	2,010,351	0	0
32		0	0	0
	Subtotal (Line 29 thru 32)	**2,410,417**	**0**	**0**
9. ACCOUNT & NOTES RECEIVABLE - NET				
33	Accounts Receivable	(70,007)	0	0
34		0	0	0
35		0	0	0
36		0	0	0
	Subtotal (Line 33 thru 36)	**(70,007)**	**0**	**0**
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
37		0	0	0
38		0	0	0
39		0	0	0
40		0	0	0
	Subtotal (Line 37 thru 40)	**0**	**0**	**0**
	Total	**11,450,366**	**2,517,057**	**0**

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(All investments refer to your most recent CFC Loan Agreement)

7a - PART II. LOAN GUARANTEES

Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount ($) (c)	Performance Guarantee Exposure or Loan Balance ($) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			**0**	**0**	**0**

7a - PART III. LOANS

Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			**0**	**0**	**0**

7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES

1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)		**11,450,366**
2	LARGER OF (a) OR (b)		**21,578,439**
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)	**15,767,961**	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)	**21,578,439**	

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
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	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2015

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	2 Needs Attention	A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? YES / NO
M. Garcia 3/30/16 Signature of Office Manager or Accountant — Date	2 Please Review	B. Will you authorize CFC to share your data with other cooperatives? YES / NO
Terry Romero 3-30-16 Signature of Manager — Date	17 Matches	

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	YEAR-TO-DATE BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	36,366,208	37,362,368	37,017,278	2,860,159
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	23,851,659	25,117,157	23,774,134	2,240,855
4. Transmission Expense	591,471	743,299	615,130	62,576
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	876,615	869,771	956,963	93,160
7. Distribution Expense - Maintenance	1,423,778	1,375,209	1,435,445	117,979
8. Consumer Accounts Expense	1,020,889	1,094,304	1,093,468	96,596
9. Customer Service and Informational Expense	30,523	45,460	0	8,546
10. Sales Expense	0	0	0	0
11. Administrative and General Expense	1,818,647	1,691,272	1,891,393	(24,610)
12. Total Operation & Maintenance Expense (2 thru 11)	**29,613,582**	**30,936,471**	**29,766,533**	**2,595,103**
13. Depreciation & Amortization Expense	1,670,741	1,765,192	1,787,693	149,354
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	2,996,829	2,525,184	2,898,451	211,434
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	72,137	70,129	72,135	12,426
20. Total Cost of Electric Service (12 thru 19)	**34,353,288**	**35,296,976**	**34,524,812**	**2,968,316**
21. Patronage Capital & Operating Margins (1 minus 20)	**2,012,920**	**2,065,392**	**2,492,466**	**(108,157)**
22. Non Operating Margins - Interest	24,416	26,486	21,123	372
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	(40,220)	(51,202)	(40,000)	0
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	219,370	211,672	0	37,696
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	**2,216,486**	**2,252,348**	**2,473,589**	**(70,089)**

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)
1. New Services Connected	0	246	5. Miles Transmission	93	93
2. Services Retired	0	0	6. Miles Distribution Overhead	336	336
3. Total Services In Place	14,639	14,864	7. Miles Distribution Underground	398	402
4. Idle Services (Exclude Seasonal)	0	0	**8. Total Miles Energized (5+6+7)**	**827**	**832**

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PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	100,711,987	29. Memberships	0
2. Construction Work in Progress	2,861,490	30. Patronage Capital	0
3. Total Utility Plant (1+2)	**103,573,477**	31. Operating Margins - Prior Years	18,198,844
4. Accum. Provision for Depreciation and Amort	28,726,932	32. Operating Margins - Current Year	2,225,862
5. Net Utility Plant (3-4)	**74,846,545**	33. Non-Operating Margins	26,486
6. Nonutility Property - Net	0	34. Other Margins & Equities	18,124,038
7. Investment in Subsidiary Companies	0	**35. Total Margins & Equities (29 thru 34)**	**38,575,229**
8. Invest. in Assoc. Org. - Patronage Capital	2,666,282	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	50,931,717
10. Invest in Assoc. Org. - Other - Nongeneral Funds	0	**38. Total Long-Term Debt (36 + 37)**	**50,931,717**
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	0	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	**41. Total Other Noncurrent Liabilities (39+40)**	**0**
14. Total Other Property & Investments (6 thru 13)	**2,666,282**	42. Notes Payable	0
15. Cash-General Funds	6,508,506	43. Accounts Payable	2,345,635
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	133,600
17. Special Deposits	0	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	2,406,390	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	3,145,574	48. Other Current & Accrued Liabilities	1,144,629
21. Accounts Receivable - Net Other	223,733	**49. Total Current & Accrued Liabilities (42 thru 48)**	**3,623,864**
22. Renewable Energy Credits	0	50. Deferred Credits	3,165,374
23. Materials & Supplies - Electric and Other	1,091,378	**51. Total Liabilities & Other Credits (35+38+41+49+50)**	**96,296,185**
24. Prepayments	133,070		
25. Other Current & Accrued Assets	0	**ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION**	
26. Total Current & Accrued Assets (15 thru 25)	**13,508,651**	Balance Beginning of Year	0
27. Deferred Debits	5,274,707	Amounts Received This Year (Net)	0
28. Total Assets & Other Debits (5+14+26+27)	**96,296,185**	**TOTAL Contributions-In-Aid-Of-Construction**	**0**

PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

CFC FORM 7

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		
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PART E. CHANGES IN UTILITY PLANT

	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1	Distribution Plant Subtotal	68,135,193	1,437,851	247,617	0	**69,325,427**
2	General Plant Subtotal	3,055,273	513,292	24,984	0	**3,543,581**
3	Headquarters Plant	5,470,612	0	0	0	**5,470,612**
4	Intangibles	0	0	0	0	**0**
5	Transmission Plant Subtotal	21,776,683	601,953	6,269	0	**22,372,367**
6	Regional Transmission and Market Operation Plant	0	0	0	0	**0**
7	Production Plant - Steam	0	0	0	0	**0**
8	Production Plant - Nuclear	0	0	0	0	**0**
9	Production Plant - Hydro	0	0	0	0	**0**
10	Production Plant - Other	0	0	0	0	**0**
11	All Other Utility Plant	0	0	0	0	**0**
12	**SUBTOTAL: (1 thru 11)**	**98,437,761**	**2,553,096**	**278,870**	**0**	**100,711,987**
13	Construction Work in Progress	2,849,047	12,443			**2,861,490**
14	**TOTAL UTILITY PLANT (12+13)**	**101,286,808**	**2,565,539**	**278,870**	**0**	**103,573,477**

CFC NO LONGER REQUIRES SECTIONS "F", "G", AND "N" DATA
Those sections refer to data on "Analysis of Accumulated Provision for Depreciation" (F), "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and "Conservation Data" (P).

PART H. SERVICE INTERRUPTIONS

	ITEM	Avg. Minutes per Consumer by Cause Power Supplier (a)	Avg. Minutes per Consumer by Cause Major Event (b)	Avg. Minutes per Consumer by Cause Planned (c)	Avg. Minutes per Consumer by Cause All Other (d)	TOTAL (e)
1.	Present Year	0.00	0.00	5.22	21.45	**26.67**
2.	Five-Year Average	0.00	0.00	2.33	18.94	**21.27**

PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1.	Number of Full Time Employees	45	4. Payroll - Expensed	3,230,791
2.	Employee - Hours Worked - Regular Time	80,901	5. Payroll - Capitalized	296,605
3.	Employee - Hours Worked - Overtime	171	6. Payroll - Other	0

PART J. PATRONAGE CAPITAL

	ITEM	THIS YEAR (a)	CUMULATIVE (b)
1.	General Retirement	0	0
2.	Special Retirements	0	0
3.	**Total Retirements (1+2)**	**0**	**0**
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	0	
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	78,462	
6.	**Total Cash Received (4+5)**	**78,462**	

PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days:	3,410
2. Amount Written Off During Year:	6,384

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PART L. KWH PURCHASED AND TOTAL COST

	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	AVERAGE COST PER KWH (cents) (g)	INCLUDED IN TOTAL COST: FUEL COST ADJUSTMENT (h)	INCLUDED IN TOTAL COST: WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)
1	Colorado River Commission			0 None	90,586,396	2,179,029	2.41	0	0	Comments
2	Arizona Public Service			0 None	339,706,000	21,185,736	6.24	0	1,855,768	Comments
3	NV Energy			0 None	(38,517,201)	1,550,562	(4.03)	0	0	Comments
4				0 None	0	0	0.00	0	0	Comments
5				0 None	0	0	0.00	0	0	Comments
6				0 None	0	0	0.00	0	0	Comments
7				0 None	0	0	0.00	0	0	Comments
8				0 None	0	0	0.00	0	0	Comments
9				0 None	0	0	0.00	0	0	Comments
10				0 None	0	0	0.00	0	0	Comments
11				0 None	0	0	0.00	0	0	Comments
12				0 None	0	0	0.00	0	0	Comments
13				0 None	0	0	0.00	0	0	Comments
14				0 None	0	0	0.00	0	0	Comments
15				0 None	0	0	0.00	0	0	Comments
16				0 None	0	0	0.00	0	0	Comments
17				0 None	0	0	0.00	0	0	Comments
18				0 None	0	0	0.00	0	0	Comments
19				0 None	0	0	0.00	0	0	Comments
20				0 None	0	0	0.00	0	0	Comments
21	**TOTALS**				**391,775,195**	**24,915,327**	**6.36**	**0**	**1,855,768**	

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PART L. KWH PURCHASED AND TOTAL COST (Continued)

COMMENTS	
1	
2	
3	
4	
5	
6	
7	
8	
9	
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11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

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PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

*LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")*

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			$0
2.			$0
3.		TOTAL	**$0**

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an intial cost in excess of $250,000).

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	CFC USE ONLY (d)
1	National Rural Utilities Cooperative Finance Corporation	50,931,717	1,942,897	2,004,827	3,947,724	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4		0	0	0	0	
5	Wells Fargo Bond Series 2008	0	582,303	0	582,303	
6		0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			0		
12	**TOTAL (Sum of 1 thru 9)**	**$50,931,717**	**$2,525,200**	**$2,004,827**	**$4,530,027**	

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PART R. POWER REQUIREMENTS DATA BASE

CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS (a)	DECEMBER CONSUMERS (b)	AVERAGE CONSUMERS (c)	TOTAL KWH SALES AND REVENUE (d)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	12,074	12,274	12,174	
	b. KWH Sold				164,077,057
	c. Revenue				17,694,908
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
3. Irrigation Sales	a. No. Consumers Served	46	45	46	
	b. KWH Sold				1,292,327
	c. Revenue				129,619
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,488	1,500	1,494	
	b. KWH Sold				139,455,460
	c. Revenue				13,011,243
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	615	613	614	
	b. KWH Sold				20,328,327
	c. Revenue				2,098,295
6. Public Street & Highway Lighting	a. No. Consumers Served	221	226	224	
	b. KWH Sold				3,011,201
	c. Revenue				340,649
7. Other Sales to Public Authority	a. No. Consumers Served	215	206	211	
	b. KWH Sold				29,072,260
	c. Revenue				2,829,109
8. Sales for Resales-RUS Borrowers	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
10. TOTAL No. of Consumers (lines 1a thru 9a)		**14,659**	**14,864**	**14,762**	0
11. TOTAL KWH Sold (lines 1b thru 9b)					**357,236,632**
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)					**36,103,823**
13. Transmission Revenue					0
14. Other Electric Revenue					1,258,545
15. KWH - Own Use					701,625
16. TOTAL KWH Purchased					391,775,195
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					25,117,157
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					89,909
	None / Non-coincident (selected) / Coincident				

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PART S. ENERGY EFFICIENCY PROGRAMS

Line #	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	0	0	0	0	0	0
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	0	0	0
4.	Comm. and Ind. 1000 KVA or Less	0	0	0	0	0	0
5.	Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6.	Public Street and Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authorities	0	0	0	0	0	0
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	**TOTAL**	**0**	**0**	**0**	**0**	**0**	**0**

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	BORROWER NAME		Overton Power D
	BORROWER DESIGNATION		NV004
	ENDING DATE		12/31/2015

(All investments refer to your most recent CFC Loan Agreement)

7a - PART 1 - INVESTMENTS

	DESCRIPTION (a)	INCLUDED ($) (b)	EXCLUDED ($) (c)	INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5	NRUCFC, Federated, SEDC	1,425,780	1,240,502	
6				
7				
8				
	Subtotal (Line 5 thru 8)	**1,425,780**	**1,240,502**	**0**
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
9				
10				
11				
12				
	Subtotal (Line 9 thru 12)	**0**	**0**	**0**
4. OTHER INVESTMENTS				
13				
14				
15				
16				
	Subtotal (Line 13 thru 16)	**0**	**0**	**0**
5. SPECIAL FUNDS				
17				
18				
19				
20				
	Subtotal (Line 17 thru 20)	**0**	**0**	**0**
6. CASH - GENERAL				
21	Bank of Nevada	5,923,847		
22	America First Credit Union	582,959		
23	Petty Cash	1,700		
24				
	Subtotal (Line 21 thru 24)	**6,508,506**	**0**	**0**
7. SPECIAL DEPOSITS				
25				
26				
27				
28				
	Subtotal (Line 25 thru 28)	**0**	**0**	**0**
8. TEMPORARY INVESTMENTS				
29	America First Credit Union	67		
30	CFC Member Capital Securities	400,000		
31	Bank of Nevada	2,006,323		
32				
	Subtotal (Line 29 thru 32)	**2,406,390**	**0**	**0**
9. ACCOUNT & NOTES RECEIVABLE - NET				
33	Accounts Receivable	223,733		
34				
35				
36				
	Subtotal (Line 33 thru 36)	**223,733**	**0**	**0**
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
37				
38				
39				
40				
	Subtotal (Line 37 thru 40)	**0**	**0**	**0**
	Total	**10,564,409**	**1,240,502**	**0**

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Overton Power D
	BORROWER DESIGNATION	NV004
	ENDING DATE	12/31/2015

(All investments refer to your most recent CFC Loan Agreement)

7a - PART II. LOAN GUARANTEES

Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount ($) (c)	Performance Guarantee Exposure or Loan Balance ($) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			**0**	**0**	**0**

7a - PART III. LOANS

Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount ($) (c)	Loan Balance ($) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			**0**	**0**	**0**

7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES

1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)		**10,564,409**
2	LARGER OF (a) OR (b)		**19,287,615**
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)	**15,536,022**	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)	**19,287,615**	

2015 AUDITOR'S CERTIFICATION REGARDING LOAN FUND EXPENDITURES

To the Board of Directors
Overton Power District No. 5
Overton, Nevada

We have audited the basic financial statements of Overton Power District No. 5 (the District) as of and for the year ended December 31, 2015, and issued our report thereon dated February 22, 2016.

During the period of this audit, the District received $ -0-, in long-term loan fund advances from CFC on loans controlled by the CFC Loan Agreement and/or Mortgage or Security Agreement.

Hafen Buckner, Everett & Graff, PC

Hafen, Buckner, Everett & Graff, PC
February 22, 2016

SERVICE | INTEGRITY | EXCELLENCE

Annual Engineer Certification

Calendar Year 2015

Borrower Overton Power District #5

I hereby certify that sufficient inspection has been made by me, or under my direction and control, of the materials and/or equipment constituting the electric plant of the Borrower to give me reasonable assurance that the materials, equipment, and construction conform to prudent utility practices and meet all applicable code requirements as to strength and safety.

Inspection performed by: Ricky L. Hansen

Signature of licensed engineer: Ricky L. Hansen

License number: 176486-2202

State: Utah

Dated: 2-23-2016

FITCH UPGRADES OVERTON POWER DIST. NO. 5, NV'S REVS TO 'A-'; OUTLOOK REVISED TO STABLE

Fitch Ratings-San Francisco-12 January 2017: Fitch Ratings has upgraded its rating on Overton Power District No. 5, Nevada's (OPD5) implied revenue bonds to 'A-' from 'BBB+'.

OPD5's rating takes into account approximately $48.5 million of secured debt privately held by National Rural Utilities Cooperative Finance Corp., but is assigned to implied obligations given that none of the outstanding debt is publically held.

The Rating Outlook is revised to Stable from Positive.

SECURITY

The district's obligations are payable from the electric system's net revenues.

KEY RATING DRIVERS

RELATIVELY SMALL DISTRIBUTION SYSTEM: OPD5 is a relatively small distribution system serving a largely residential customer base of approximately 14,800 in a rural service area northeast of Las Vegas. The utility's rate base is moderately concentrated with the top 10 customers accounting for approximately 21.3% of operating revenues in 2015.

POWER SUPPLY SECURED: The district's new power supply contract with Morgan Stanley Capital Group, Inc. took effect in June 2016 and extends to the end of 2024. The medium-term contract extends beyond the district's normal five-year agreements, and provides a lower cost of power compared with the previous arrangement.

IMPROVING FINANCIAL PERFORMANCE: The upgrade reflects Fitch's expectation that financial performance will materially improve as power costs are reduced under the new power supply contract. Projected debt service coverage from 2016-2020 is approximately 1.8x after adjusting for the revenue loss from an expected decrease in commercial rates.

SOUND LIQUIDITY: The district's adequate cash levels are expected to increase to approximately 130 days cash on hand in 2016 from 100 days in 2015 as higher financial margins improve the district's bottom line. Liquidity levels are further strengthened by a $5 million line of credit with CFC.

STABILIZING SERVICE TERRITORY: The district's service territory was significantly affected by the recession, and its recovery has lagged the nation and surrounding metro areas. However, local conditions appear to have stabilized with a growing customer base, modest MWh sales growth, and on-going development in the area.

SIGNIFICANT FUTURE DEBT PLANS: The district's future debt plans are significant with a tentatively planned $80 million issuance by 2022 to finance a cost-saving transmission project. Debt metrics would likely increase to well above the median for the 'A' rating category following the issuance.

RATING SENSITIVITIES

FINANCIAL PERFORMANCE: Financial performance from Overton Power District No. 5 that is materially weaker than current projections, which reflect debt service coverage of approximately 1.8x and over 100 days cash on hand, could lead to negative rating action.

FUTURE LEVERAGE: The significant increase in leverage expected by 2022 could also negatively pressure the rating if not offset by improved financial performance, which is expected to occur as a new transmission line funded with the proceeds should reduce power supply and transmission costs.

CREDIT PROFILE

OPD5 is located approximately 65 miles northeast of Las Vegas and provides electric service to a largely residential customer base of 14,763 (2015). OPD5's exclusive service territory is largely rural but includes the city of Mesquite, NV with an estimated population of approximately 18,000, which has been the focal point for most of OPD5's customer growth.

The local economy has generally stabilized after a slow recovery that lagged the nation and nearby metro areas. This improvement is apparent in the significantly higher customer growth rates over the past four years, which had slowed during and directly after the recession. In addition, the district's annual MWh sales increased in both 2015 and 2014 by 1.6% and 0.7%, respectively, following five consecutive years of decline.

OPD5's rate base is moderately concentrated with its top 10 customers accounting for approximately 21.3% of operating revenues in 2015.

MEDIUM-TERM POWER SUPPLY CONTRACT

The district secured a cost-effective power supply contract with Morgan Stanley Capital Group, Inc. that runs from June 2016 through the end of 2024. The new agreement replaced the pre-existing agreement that was set to expire at the end of 2017.

IMPROVED FINANCIAL PERFORMANCE

The district's financial performance is expected to improve significantly beginning in 2016 as the lower cost of power results in improved margins and higher debt service coverage. Based on actuals through November and management's projections for December, the district's debt service coverage ratio in 2016 is projected at 1.85x. Improved cash flow is expected to increase cash reserves with a total ending balance of approximately $10.5 million or 130 days of projected expenses, up from $8.5 million or 100 days cash at the end of 2015.

The improvement is notable given the district's financial performance over the past five years. Audited financial results were largely stable but below levels commensurate with an 'A' category rating from 2013 through 2015. Fitch calculated debt service coverage and coverage of full obligations averaged 1.38x and 1.15x, respectively, during the period.

Management's financial forecast through 2021 shows financial metrics generally consistent with the projected performance in 2016. Coverage levels remain close to 1.8x, assuming a modest decrease in commercial rates, and cash on hand exceeds 100 days through the forecast period. Projections include an assumed 1% annual increase in MWh sales.

Contact:

Primary Analyst
Matthew Reilly, CFA

Director
+1-415-732-7572
Fitch Ratings, Inc.
650 California St, 4th Floor
San Francisco, CA 94108

Secondary Analyst
Jeremy Williams
Analyst
+1-646-582-4870

Committee Chairperson
Dennis Pidherny
Managing Director
+1-212-908-0738

Media Relations: Elizabeth Fogerty, New York, Tel: +1 (212) 908 0526, Email: elizabeth.fogerty@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria
Revenue-Supported Rating Criteria (pub. 16 Jun 2014)
https://www.fitchratings.com/site/re/750012
U.S. Public Power Rating Criteria (pub. 18 May 2015)
https://www.fitchratings.com/site/re/864007

SLCAIP HYDRPOWER POST 2024
APPLICANT

Valley Electric Association, Inc.

Colorado River Commission of Nevada
Application for Allocation of Salt Lake City Area Integrated Projects Power

This form was created in Microsoft Word and a digital copy is available on the Colorado River Commission of Nevada's (CRCNV) website: www.crc.nv.gov. If the form is opened in Microsoft Word, responses may be entered directly into the text boxes which will expand as needed to accept the text entered. Alternatively, additional pages for your responses may be attached by the Applicant. Applicants are requested to clearly identify on any attachments the Applicant's name and the related numbered item on the form.

ALL APPLICATIONS AND INFORMATION SUBMITTED TO THE CRCNV WILL BE CONSIDERED PUBLIC RECORDS SUBJECT TO PUBLIC DISCLOSURE UPON REQUEST. PLEASE SEE NOTE ATTACHED TO THIS APPLICATION FORM FOR MORE INFORMATION.

Completed applications must be received by the CRCNV by 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

1. Applicant Information. Please provide the following:

a. Name and address of entity/organization requesting and allocation:

Entity Name	Valley Electric Association, Inc.
Address	800 E Highway 372, PO Box 237
City, State, Zip	Pahrump, NV 89401-0237

b. Person(s) representing Applicant:

Contact Person Title	Ramon Abueg, Chief Operating Officer
Address	800 E Highway 372, PO Box 237
City, State, Zip	Pahrump, NV 89041-0237
Telephone	(775) 727-2746
Fax	(775) 727-6320
Email Address	rabueg@vea.coop

c. Was the Applicant or its predecessor in interest, a customer of the CRCNV on July 16, 1997?

Yes X	No

d. Is the Applicant the Southern Nevada Water Authority or one of its member agencies that will use the allocated resource for its water and/or wastewater operations in accordance with NRS 704.787(b)?

Yes	No X

e. Provide the amount of Salt Lake City Area Integrated Projects (SLCAIP) available capacity and energy the Applicant is requesting.

Kilowatts (summer) 20,851 kW (All)	*Kilowatts (summer)* 37,944,500 kWh (All)
Kilowatts (Winter) 27,414 kW (All)	*Kilowatts (winter)* 50,267,119 kWh (All)

2. <u>Applicant Data:</u>

Historical Demand:

a. **Provide the actual monthly maximum demand (kilowatts) experienced from October 2015 through March 2018.** ***Note: For those applying for power to be used in their water and/or wastewater operations - please provide monthly data directly related to such use.***

Federal Fiscal Year 2016						
	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016
Demand (kilowatts)	87,557.090	114,766.550	122,843.000	120,856.000	124,326.090	91,448.850
	Apr. 2016	May 2016	Jun. 2016	Jul. 2016	Aug. 2016	Sept. 2016
Demand (kilowatts)	62,137.050	91,262.970	129,366.690	133,988.770	122,886.780	105,393.480

Federal Fiscal Year 2017						
	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017
Demand (kilowatts)	73,128.530	105,966.460	122,244.390	118,988.320	103,242.960	102,570.830
	Apr. 2017	May 2017	Jun. 2017	Jul. 2017	Aug. 2017	Sept. 2017
Demand (kilowatts)	68,412.210	98,425.450	132,864.660	132,468.390	125,075.260	118,974.590

Federal Fiscal Year 2018						
	Oct. 2017	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018
Demand (kilowatts)	73,914.010	89,125.170	116,579.780	110,691.960	121,465.430	110,041.210
Demand (kilowatts)						

b. **Applicant's Power Resources. Please provide the energy resources in kWh that were delivered (scheduled) to serve Applicant's load from October 2015 through March 2018 during standard On-Peak and Off-peak Periods, as defined by the North American Electric Reliability Corporation ("NERC"). Delivered resources should total up to the loads in each period.**

NERC On-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	**Nov. 2015 kWh**	**Dec. 2015 kWh**	**Jan. 2016 kWh**	**Feb. 2016 kWh**	**Mar. 2016 kWh**
Hoover (kWh)	1593000	1465000	1587000	1367000	1681000	2210000
Parker-Davis (kWh)	1786000	1544000	1711000	1547000	1508000	2906000
SLCAIP (kWh)	1518000	1381000	1658000	1601000	1565000	1614000
Purchased Power (kWh)	13,971,843	15,469,809	21,976,837	19,819,622	17,061,856	14,070,754
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	18,868,843	19,859,809	26,932,837	24,334,622	21,815,856	20,800,754
	Apr. 2016 kWh	**May 2016 kWh**	**June 2016 kWh**	**July 2016 kWh**	**Aug 2016 kWh**	**Sep. 2016 kWh**
Hoover (kWh)	2542000	1850000	2135000	1698000	1700000	1537000
Parker-Davis (kWh)	2992000	2824000	3241000	3007000	3467000	2771000
SLCAIP (kWh)	1006000	921000	1058000	2006000	1250000	982000
Purchased Power (kWh)	11,400,581	13,698,051	23,813,508	22,743,424	25,821,894	17,299,032
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	17,940,581	19,293,051	30,247,508	29,454,424	32,238,894	22,589,032

Federal Fiscal Year 2017

	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	2663000	3387000	2619000	2448000	2704000	3878000
Parker-Davis (kWh)	1621000	1483000	1597000	1559000	1460000	2508000
SLCAIP (kWh)	2083000	2036000	2399000	1996000	2280000	2329000
Purchased Power (kWh)	11,590,148	12,619,099	18,390,317	19,029,136	12,171,673	9,872,940
Fossil Fueled Generation (kWh)				793000	1414000	2384000
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	17,957,148	19,525,099	25,005,317	25,825,136	20,029,673	21,031,940
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	3235000	3744000	4390000	3558000	3572000	2950000
Parker-Davis (kWh)	2195000	2653000	2969000	2750000	2926000	2375000
SLCAIP (kWh)	1359000	1770000	1444000	1476000	1795000	1341000
Purchased Power (kWh)	8,274,006	11,322,652	18,424,017	21,455,406	22,376,981	13,748,421
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	2103000	2452000	2351000	1955000	2114000	1972000
On-Peak Load (kWh) Total of resources above	17,163,006	21,941,652	29,578,017	31,194,406	32,783,981	22,386,421

Federal Fiscal Year 2018

	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	1393000	1490000	1104000	1114000	1625000	1445000
Parker-Davis (kWh)	1496000	1556000	1415000	1594000	1391000	2230000
SLCAIP (kWh)	2105000	1771000	2043000	2323000	2076000	2210000
Purchased Power (kWh)	11,887,688	12,318,766	17,775,484	17,556,141	15,647,498	11,947,081
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	2209000	1632000	1125000	1445000	1789000	2037000
On-Peak Load (kWh) Total of resources above	19,090,688	18,767,766	23,462,484	24,032,141	22,528,498	19,869,081

NERC Off-Peak Period

Federal Fiscal Year 2016						
	Oct. 2015 kWh	**Nov. 2015 kWh**	**Dec. 2015 kWh**	**Jan. 2016 kWh**	**Feb. 2016 kWh**	**Mar. 2016 kWh**
Hoover (kWh)	656000	928000	670000	1117000	1235000	1601000
Parker-Davis (kWh)	1160000	1307000	1235000	1399000	1157000	2559000
SLCAIP (kWh)	823000	750000	876000	1108000	812000	1146000
Purchased Power (kWh)	14,303,330	21,408,497	27,738,646	28,147,401	18,875,872	13,245,069
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	16,942,330	24,393,497	30,519,646	31,771,401	22,079,872	18,551,069
	Apr. 2016 kWh	**May 2016 kWh**	**June 2016 kWh**	**July 2016 kWh**	**Aug 2016 kWh**	**Sep. 2016 kWh**
Hoover (kWh)	1548000	1299000	1038000	1174000	592000	950000
Parker-Davis (kWh)	2298000	2705000	2049000	2460000	2000000	2299000
SLCAIP (kWh)	761000	689000	788000	2576000	934000	811000
Purchased Power (kWh)	12,433,997	14,419,718	19,141,521	23,691,476	21,072,137	16,255,287
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)						
On-Peak Load (kWh) Total of resources above	17,040,997	19,112,718	23,016,521	29,901,476	24,598,137	20,315,287

Federal Fiscal Year 2017						
	Oct. 2016 kWh	Nov. 2016 kWh	Dec 2016 kWh	Jan. 2017 kWh	Feb. 2017 kWh	Mar. 2017 kWh
Hoover (kWh)	1363000	2473000	1295000	1394000	1370000	3732000
Parker-Davis (kWh)	1324000	1372000	1345000	1387000	1201000	2956000
SLCAIP (kWh)	1285000	1034000	1249000	1874000	1142000	1644000
Purchased Power (kWh)	14,596,781	15,809,567	26,762,587	25,221,680	17,028,787	10,023,438
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)				269000	561000	827000
On-Peak Load (kWh) Total of resources above	18,568,781	20,688,567	30,651,587	30,145,742	21,302,638	19,182,261
	Apr. 2017 kWh	May 2017 kWh	June 2017 kWh	July 2017 kWh	Aug 2017 kWh	Sep. 2017 kWh
Hoover (kWh)	4560000	3705000	2436000	2991000	1646000	1777000
Parker-Davis (kWh)	3094000	2875000	2320000	2716000	2540000	2697000
SLCAIP (kWh)	1187000	1559000	1212000	1464000	1347000	1238000
Purchased Power (kWh)	8,431,176	9,932,059	16,251,759	24,208,762	19,112,781	16,073,700
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	1150000	993000	852000	1084000	815000	1020000
On-Peak Load (kWh) Total of resources above	18,422,676	19,064,101	23,071,304	32,463,521	25,460,458	22,806,018

Federal Fiscal Year 2018						
	Oct. 2017 kWh	Nov. 2017 kWh	Dec. 2017 kWh	Jan. 2018 kWh	Feb. 2018 kWh	Mar 2018 kWh
Hoover (kWh)	628000	1045000	1001000	518000	1020000	1551000
Parker-Davis (kWh)	1449000	1294000	1529000	1348000	1270000	3241000
SLCAIP (kWh)	1261000	1300000	1604000	1574000	1344000	1762000
Purchased Power (kWh)	13,448,580	15,025,734	25,625,479	22,080,010	19,069,575	14,956,876
Fossil Fueled Generation (kWh)						
Renewable Resources (kWh)	940000	711000	695000	668000	764000	789000
On-Peak Load (kWh) Total of resources above	17,726,358	19,375,830	30,453,990	26,188,302	23,467,308	22,299,458

c. **Future Demand:**

Identify any factors or conditions between the date of this Application and October 1, 2024 which may increase or decrease peak demands and energy use by 10% or more:

New Agricultural Grow Farms New Mining Operation

d. **Transmission:**

Points of delivery/location of energy delivery: Provide the Applicant's requested point(s) of delivery on the Parker-Davis Transmission System, the voltage of service required and the capacity desired. The CRCNV's authorized point(s) of delivery include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

Mead 230-kV Substation and/or Amargosa 138-kV Substation

e. **Ability to Use:**

Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

VEA owns, operates and has access to transmission under various agreements. We will have a need for them for years to come. Our load has increased by over 20% since 2010 and is projected to grow by an average of 1.1 percent p

3. **Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource.** Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

The allocation of the requested resources to Valley Electric Association, Inc. (VEA) will achieve the greatest possible benefit to the state for the following reasons:

• This economical, reliable renewable power resource, if granted to Valley Electric Association, would take the place of less affordable and environmentally friendly resources and goes further in serving consumers in need than anywhere else in Nevada. In fact, it would be difficult to imagine a better source for the allocation of resources than VEA.

• More than 90 percent of the consumers of VEA power reside in Nye County, which is among the more economically depressed counties in the state.

• According to recent census data, the median income for a household in Nye County is $41,000 and the median family income is $50,000. By comparison, the median household income statewide is $55,750, and the median family income is approximately $64,500.

• Only two of Nevada's 17 counties rank below Nye, and one of them (Esmeralda) also is in the VEA service territory.

• Nye County fares a little better nationally, but not much. In the United States, the median household income is about $52,000, and family income is $63,000.

• As a result energy expenses take up a far greater percentage of household income of residents of Nye County than households elsewhere in the state.

• Affordable hydropower has contributed to more than a 20% increase in VEA's load since 2010 and it will help drive a projected annual average load growth of 1.1 percent through 2034.

• The allocated hydropower resources will help VEA to continue to directly contribute to the economy of Nye County, which it has been doing by increasing employment by more than 100% since the depths of the last recession.

• The additional hydropower will help VEA continue to invest in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes, schools and businesses.

• It will also help VEA continue to make investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.

• It will help VEA continue its Lighthouse Assistance Program, providing up to $200 for low income senior members in having difficulty paying their electric bill.

• This resource also helps make the renewable energy we take from the Community Solar Project (15 MW photovoltaic generator located in Pahrump, NV) viable by shaping and firming it.

• Finally, it will also help VEA continue a decade-long tradition of awarding hard-working students with currently in excess of $10,000 in academic, vocational/technical, and continuing education scholarships to assist members and their families as well as help continue VEA's successful energy saving solar water heater & irrigation efficiency pump testing programs.

VEA is always searching for additional renewable power resources at affordable rates, not because it serves the interests of investors but because it directly benefits our members, who are also our owners. If allocated to VEA, these resources will provide the greatest possible benefit to Nevada by keeping more money, jobs and investments for the future in the state economy.

The loss of our existing reliable, affordable and renewable SLCA/IP hydropower allocation would impact VEA's ability to provide the aforementioned benefits (see above), to the detriment of the state. If these resources are not allocated to VEA, it will diminish our ability to maintain rate stability and keep more money, jobs and investments for the future in the state economy. More explicitly:

• It will diminish our ability to provide reliable, affordable and environmentally friendly electricity to consumers in need in one of the most economically depressed areas of Nevada.

• It will diminish our ability to make further investments in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes, schools and businesses.

• It will diminish our ability to make further investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.

• It will diminish our ability to maintain or increase our current employment levels.

• It will diminish our ability to provide assistance to low income members experiencing difficulty paying their electric bill as well as diminish our ability to provide energy efficiency programs.

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e. Ability to Use: Provide a brief explanation of the Applicant's ability to receive and use the requested resource as of October 1, 2024.

VEA owns, operates and has access to transmission under various agreements. We will have a need for them for years to come. Our load has increased by over 20% since 2010 and is projected to grow by an average of 1.1 percent.

3. Provide a statement from the Applicant identifying the benefit to the state from their receipt of the allocated resource. Applicants should demonstrate how receipt of the allocated resource would provide the "greatest possible benefit to this state." If applicable, Applicant should also demonstrate how loss of an existing allocation could impact the Applicant to the detriment of the state.

The allocation of the requesled resources to Vahey Elecllic Association, Inc. (VEA) will achieve the greatest possible benefil lo the state for the following reasons:

• This economical, reliable renewable power resource, if granted lo Valley Electric Association, would take the place of less affordable and environmentally friendly resources and goes further in serving consumers in need than anywhere else in Nevada. In fact, it would be difficult to imagine a better source for the allocation of resources than VEA

• More than 90 percent of the consumers of VEA power reside In Nye County, which is among the more economically depressed counties in the state.

• According to recent census data, the median income for a household in Nye County is $41,000 and the median family Income is $50,000. By comparison, the median household income statewide is $55,750, and the median family income Is approximately $64,500.

• Only two of Nevada's 17 counties rank below Nye, and one of them {Esmeralda) also is in the VEA service territory.

• Nye County fares a little better, nationally, but not much. In the United States, the median household Income is about $52,000, and family income is $63,000.

• As a result, energy expenses take up a far great• percentage of household income of residents of Nye County than households elsewhere in the state.

• Affordable hydropower has contributed to more than a 20% increase in VEA's load since 2010 and it will help drive a projected annual average load growth of 1.1 percent through 2034.

• The allocated hydropower resources will help VEA lo continue lo directly contribute to the economy of Nye County, which it has been doing by increasing employment by more than 100% since the depths of the last recession.

• The additional hydropower will help VEA continue to invest in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services lo rural Nevada homes, schools and businesses.

• It will also help VEA continue to make investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.

• It will help VEA continue its Lighthouse Assistance Program, providing up to $200 for low income senior members in having difficulty paying their electric bill.

• This resource also helps make the renewable energy we take from the Community Solar Project (15 MW photovoltaic generator located in Pahrump, NV) viable by shaping and firming it.

• Finally, it will also help VEA continue a decade long tradition of awarding hard working students with currently in excess of $10,000 in academic, vocational, technical, and continuing education scholarships to assist members and their families as well as help continue VEA's successful energy saving solar water heater" & irrigation efficiency pump, testing programs.

VEA is always searching for additional renewable power resources at affordable rates, not because it serves the interests of investors but because it directly benefits our members, who are also our owners. If allocated to VEA, these resources will provide the greatest possible benefit to Nevada by keeping more money, jobs and Investments for the future in the stale economy.

The loss of our existing reliable, affordable and renewable SLCAIP hydropower allocation would impact VEA's ability to provide the aforementioned benefits (see above), to the detriment of the state. If these resources are not allocated lo VEA, it will diminish our ability to maintain rate stability and keep more money, jobs and investments for the future in the state economy. More explicitly:

• It will diminish our ability to provide reliable, affordable and environmentally friendly electricity to consumers in need in one of the most economically depressed areas of Nevada.

- It will diminish our ability to make further investments in the technological infrastructure needed for the 21st century such as bringing high speed fiber optic internet communication services to rural Nevada homes, schools and businesses.

- II will diminish our ability to make further investments in Nevada's future such as electricity storage, electric vehicle charging stations and community solar generation.

- It will diminish our ability to maintain or increase our current employment levels.

- It will diminish our ability to provide assistance to low income members experiencing difficulty paying their electric bill as well as diminish our ability to provide energy efficiency programs.

Provided by Staff for readability.

4. **Creditworthiness:**

a. **If the Applicant is publicly traded, provide exchange and symbol:**

NA

b. **Provide the Applicant's Dun and Bradstreet D-U-N-S Number if available:**

41679515

c. **Provide the Applicant's most recent bond and credit rating if available:**

NA

d. **Attach a chart showing all equity interests, including corporate structure of the parent and subsidiary organization, if applicable.**

e. **If Applicant has a parent company, provide the requested information in items 4a) though 4c) for the parent company, and attach a signed statement by the parent company that the parent company is willing to provide a parental guarantee if required.**

f. **If applicable, does the Applicant have independent rate setting authority to raise its customer's rates to cover expenses? Please explain.**

Yes. Our Board of Directors has the authority to raise rates.

g. **If applicable, does the Applicant have the taxing authority to cover expenses? Please explain.**

NA

h. **If applicable, please state the number of late payments to the CRCNV in the past three years, the date of the invoice that was not timely paid and the actual date of payment. Please explain the circumstances for each late payment.**

Our CRCNV pmt in the amount of $39,160.44, due August 9, 2017 was paid August 10, 2017. The late payment was due to a wire payment scheduling error.

i. **Provide complete copies of the Applicant's Audited Financial Statements for the past three years.**

Please see enclosed files for VEA's 2015 - 2017 audited consolidated financial statements

5. **Other Information:**

The Applicant may provide any other information pertinent to the application.

Again, VEA is always searching for additional renewable power resources at affordable rates, not because it serves the interests of investors but because it directly benefits our members, who are also our owners. If allocated to VEA, these resources will help us maintain our rates, enhancing our ability to provide the greatest possible benefit to Nevada by keeping more money, jobs and investments for the future in the state economy.

This resource also helps us firm and shape the renewable energy we take from the 15MW Community Solar Project photovoltaic generator located in Pahrump, NV and also enhances our ability to offer assistance to our low income members.

VEA is a longtime CRC customer of this resource. Our loads have been growing and that's expected to continue. We expect to have a need for the requested resources well into the future (whether or not energy choice is implemented). Indeed, VEA was able to utilize 100% of AMPAC's "layoff" hydropower and transmission allocations made available on a temporary 12-month term from October 1, 2016 – September 30, 2017.

6. **By signing this application, the Applicant acknowledges that if the Applicant accepts an allocated resource from the CRCNV, the Applicant will be subject to the following:**

   i. The Applicant will execute a Contract with the CRCNV in the Fall of 2018 for power deliveries beginning on October 1, 2024.

   ii. The Applicant must enter into a new contract, prior to June 1, 2024, with the CRCNV to take and pay for transmission service from Pinnacle Peak on the SLCAIP Transmission system, to one or more of the southern Nevada delivery points on the Parker-Davis Transmission system which currently include Amargosa Substation, Basic Substation, Boulder City Tap, Clark Tie, and Mead Substation.

   iii. An Applicant utilizing continuous or backup transmission service over the Parker-Davis Project Southern Nevada Facilities, or an Applicant directly interconnected to the Parker-Davis Project Southern Nevada Facilities, must have an existing contract with the CRCNV or enter into a new contract with the CRCNV to take and pay for service over those facilities prior to June 1, 2024 for power deliveries beginning on October 1, 2024.

7. **Signature:**

The Colorado River Commission of Nevada requires the signature and title of an appropriate official who can attest to the validity of the application and who is authorized to submit the request for an allocation.

By signing below, I certify the information which I have provided is true and correct to the best of my information, knowledge and belief.

Signature________________ Title Chief Operating Officer

Print Name Ramon Abueg

Applications may be addressed to the Executive Director and submitted:

- **By email addressed to: crcpower@crc.nv.gov;**
- **By fax to (702) 486-2695; or**
- **By personal delivery or U.S. Mail to the CRCNV's office, 555 E. Washington Avenue, Suite 3100, Las Vegas, NV 89101.**

Applications may be submitted between **June 25, 2018** and **July 16, 2018**.

No applications will be accepted after 5:00 p.m. PDT on:

MONDAY, JULY 16, 2018

Valley Electric Association, Inc.
A Touchstone Energy® Cooperative

August 30, 2018

Ms. Jayne Harkins, P.E.
Executive Director
Colorado River Commission of Nevada
555 E. Washington Avenue, Suite 3100
Las Vegas, NV 89101

VIA EMAIL: crcpower@crc.nv.gov

Subject: Allocation of SLCAIP Hydropower Post 2024

Dear Ms. Harkins:

Thank you for the opportunity to submit comments on the Colorado River Commission of Nevada's ("CRC") draft Commission Order proposing allocations of hydropower from the Salt Lake City Area Integrated Projects (SLCAIP) for the period of October 1, 2024 through September 30, 2057.

In accordance with the criteria applied and analyses performed by Staff, Valley Electric Association (VEA) agrees the requirements for allocation have been appropriately applied. In addition, VEA supports the Draft Order's findings of facts and recommendations. VEA further agrees that the proposed allocation provides the greatest possible benefit for the state.

VEA appreciates the opportunity to comment on this matter.

Respectfully Submitted,

Angela Evans

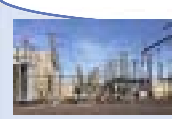
Angela Evans,
Chief Executive Officer

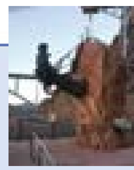
cc: File

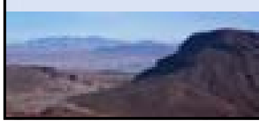
800 E Highway 372 • PO Box 237 • Pahrump, NV 89041-0237
Phone: (775) 727-5312 or (800) 742-3330 (In Nevada) • Fax: (775) 727-6320 • www.vea.coop

Colorado River Commission of Nevada (CRCNV)

Salt Lake City Area Integrated Project (SLCAIP) Post-2024 Allocation Hearing







Sep 11, 2018

SLCAIP Information

- Initial hydroelectric generation began in 1963.
- SLCAIP is comprised of two Utah Dams, three Colorado dams and one Wyoming dam, and 5 additional power plants.
- Total of 11 powerplants with a combined installed capacity of 1,816 MW.
  - Installed Capacity at Hoover is 2,074 MW
- CRCNV's federal allocation is approximately 1.5% of the total capacity.

2

SLCAIP Allocations

- CRCNV's federal contract and state customer contracts expire September 30, 2024.

CRCNV Current Allocations of SLCAIP Hydropower

Contractor	Winter Capacity (kW)	Summer Capacity (kW)	Annual Energy (kWh)
City of Boulder City	7,279	5,537	23,422,458
Overton Power District No. 5	8,256	6,279	26,565,338
Valley Electric Association	11,879	9,035	38,223,823
CRCNV Total	27,414 kW	20,851 kW	88,211,619 kWh

Updated 12/08/2017

Federal Contract Process

- Federal Register Notice (FRN) was published December 15, 2016.
  - This began the Federal Marketing Plan and Allocation Process.
- Customer meetings, presentations and negotiations took place December, 2016 through January, 2018.
- Federal contract issued to CRCNV on March 9, 2018.

Federal Contract Process

- About half of the Federal Contractors have already signed their post-2024 contract.
- CRCNV Staff recommends that state contracts be executed simultaneously with federal contract execution.
- New federal and state contracts will not be effective until 2024; however, certain favorable provisions will go into effect for current contractors when the CRCNV executes the federal contract.

CRCNV Allocation Process

- April, 2018: Staff issued a Notice of Public Meeting and Request for Comments on the draft Notice and Invitation to Apply, draft allocation criteria, and draft application.
- May 15, 2018: Public Meeting
- June 12, 2018: Commission approved the draft Notice and Invitation to Apply, allocation criteria, and application.

CRCNV Allocation Process

- June 14, 218: Staff issued the Notice, allocation criteria, and application
- July 16, 2018: Staff received four applications.
- Staff received three applications from existing SLCAIP Contractors:
  - City of Boulder City
  - Overton Power District No. 5
  - Valley Electric Association
- Staff also received an application from the City of Las Vegas

Applications and Criteria

Staff reviewed all applications:

- Determined eligibility under NRS 704.787.
- Verified load and resources data.
- Reviewed creditworthiness and payment history.
- Reviewed applicants statements explaining how award of a SLCAIP hydropower allocation to the applicant would meet the criteria of providing the “greatest possible benefit to the State.”

Applicant Requests

Applicants	Applicant Request				Current Allocations			
	Summer		Winter		Summer		Winter	
	Capacity kW	Energy kWh	Capacity kW	Energy kWh	Capacity kW	Energy kWh	Capacity kW	Energy kWh
Boulder City	5,537	9,278,621	7,279	12,291,887	5,537	10,075,243	7,279	13,347,215
Las Vegas	1,000	4,380,000	2,000	8,760,000				
Overton Power	6,593	14,563,065	8,669	19,292,475	6,279	11,427,162	8,256	15,138,176
Valley Electric	20,851	37,944,500	27,414	50,267,119	9,035	16,442,095	11,879	21,781,728
Total	33,981	66,166,186	45,362	90,611,481	20,851	37,944,500	27,414	50,267,119

Applicant Requests

- Boulder City intended to ask for its current allocation to be preserved but the amount they requested was mistakenly taken from an outdated contract exhibit.
- The City of Las Vegas requested an allocation that was inconsistent with the ratio of capacity to energy available to the CRCNV.
- OPD requested an increase in their allocation.
- VEA requested the total resource available to the CRCNV.

Staff Recommendations

- Reduce current contractor allocations by approximately 7% to create a resource pool for the City of Las Vegas.
  - During the 2004 allocation process, there was also a 7% reduction to create a pool for new applicants.
- Award the City of Las Vegas an allocation but adjust the energy and capacity ratios to be consistent with the CRCNV's federal allocation.

Staff Allocation Recommendation

Applicants	Summer			Winter	
	Capacity	Energy		Capacity	Energy
	kW	kWh		kW	kWh
City of Boulder City	5,138	9,350,439		6,755	12,387,030
City of Las Vegas	1,500	2,729,689		1,972	3,616,166
Overton Power District No. 5	5,828	10,605,104		7,662	14,049,151
Valley Electric Association, Inc.	8,385	15,259,268		11,025	20,214,772
CRCNV Total	20,851	37,944,500		27,414	50,267,119

Draft Order

- Staff submitted the Draft Order to the Applicants for review and received one comment letter from Valley Electric Association supporting the proposed allocations.

Questions?