

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

SIERRA PACIFIC POWER CO

CIK: **90144** | IRS No.: **880044418** | State of Incorporation: **NV** | Fiscal Year End: **1231**
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 28, 1997

Sierra Pacific Power Company

(Exact name of registrant as specified in its charter)

Nevada

(State of incorporation or organization)

0-508

88-0044418

(Commission File Number)

(I.R.S. Employer
Identification No.)

P.O. Box 10100 (6100 Neil Road), Reno, Nevada 89520-0400

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (702) 689-4011

Item 5. Other Events.

On November 27, 1996, the Registrant filed a Registration Statement on Form S-3 (No. 333-17041), as amended by a Pre-Effective Amendment No. 1 filed on December 18, 1996 (the "Registration Statement") in connection with its proposed offering of \$35,000,000 of Collateralized Debt Securities, Series D (the "Debt Securities"). As exhibits to said Registration Statement, the Registrant filed draft forms of several agreements relating to the Debt Securities. Such agreements have since been finalized and, in some cases, supplemented. The final form of such agreements and related documents are filed herewith as exhibits, as set forth in Item 7 hereof.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

- Exhibit A -- Distribution Agreement for the issuance and sale of the Debt Securities, dated as of February 21, 1997.
- Exhibit B -- Fourth Supplemental Indenture to the Indenture, dated as of February 1, 1997.
- Exhibit C -- Thirty-fifth Supplemental Indenture, dated as of February 1, 1997.
- Exhibit D -- Form of Medium-Term Global Fixed-Rate Note, Series D.
- Exhibit E -- Statement setting forth computation of ratio of earnings to fixed charges.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SIERRA PACIFIC POWER COMPANY

Date: March 10, 1997

By: /s/ Lynn M. Miller

Lynn M. Miller
Controller

EXHIBIT INDEX

Exhibit	Document
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A	Distribution Agreement for the issuance and sale of the Debt Securities, dated as of February 21, 1997.
B	Fourth Supplemental Indenture to the Indenture, dated as of February 1, 1997.
C	Thirty-fifth Supplemental Indenture, dated as of

February 1, 1997.

D Form of Medium-Term Global Fixed-Rate Note,
Series D.

E Statement setting forth computation of ratio of earnings
to fixed charges.

EXHIBIT A

\$35,000,000

Sierra Pacific Power Company

Collateralized Medium-Term Notes, Series D
Due from 9 months to 40 years from
Date of Issue

DISTRIBUTION AGREEMENT

February 21, 1997

Lehman Brothers Inc.
3 World Financial Center
New York, NY 10285

A.G. Edwards & Sons, Inc.
One North Jefferson Avenue
St. Louis, MO 63103

UBS Securities LLC
299 Park Avenue
New York, NY 10171

Dear Sirs:

Sierra Pacific Power Company, a Nevada corporation (the "Company"), proposes to issue and sell from time to time its Collateralized Medium-Term Notes, Series D, due from nine months to 40 years from the date of issue, in an initial aggregate principal amount of \$35,000,000 (the "Notes") and agrees with each of you (individually, an "Agent" and collectively, the "Agents") as set forth in this Agreement.

The Notes are to be issued from time to time pursuant to an indenture, dated as of June 1, 1992 (as heretofore supplemented and as supplemented by the Fourth Supplemental Indenture dated as of February 1, 1997 relating to the Notes (the "Fourth Supplemental Indenture") and as it may be further supplemented or amended from time to time (the "Indenture"), between the Company and Bankers Trust Company, as trustee (the "Trustee"). The Notes

will be secured by one or more first mortgage bonds (the "Mortgage Bonds") to be issued and delivered by the Company to the Trustee. The Mortgage Bonds will be issued pursuant to an Indenture of Mortgage, dated as of December 1, 1940, from the Company's predecessor to The New England Trust Company (State Street Bank & Trust Company, as successor trustee) and Leo W. Huegle (Gerald R. Wheeler, as successor trustee), as amended and supplemented and as it will be further supplemented by a Thirty-fifth Supplemental Indenture dated as of February 1, 1997 (said Indenture of Mortgage, as so amended and supplemented and to be supplemented, and said supplemental indenture, being hereinafter referred to as the "Mortgage Indenture" and the "Thirty-fifth Supplemental Indenture", respectively).

The Notes shall have the maturity ranges, applicable interest rates or interest rate formulas, issue prices, redemption and repayment provisions and other terms set forth in the Prospectus referred to in Section 1(c) hereof as it may be amended or supplemented from time to time, including any Pricing Supplement (as such term is defined in Section 3(a) hereof). The Notes will be issued, and the terms thereof established, from time to time, by the Company in accordance with the Indenture and the Procedures referred to in Section 2(f) hereof. This Agreement shall only apply to sales of the Notes and not to sales of any other securities or evidences of indebtedness of the Company and only on the specific terms set forth herein.

Subject to the terms and conditions stated herein and subject to the reservation by the Company of the right to sell its Notes directly on its own behalf or to designate or select additional agents as set forth in Section 11 hereof, the Company hereby (i) appoints each of the Agents as the co-exclusive agents of the Company for the purpose of soliciting or receiving offers to purchase Notes from the Company and (ii) agrees that whenever the Company determines to sell Notes directly to an Agent as principal it will enter into a separate agreement (each a "Purchase Agreement"). Each such Purchase Agreement, whether oral (and confirmed in writing, which may be by facsimile transmission) or in writing, shall contain such information (as applicable) set forth in the form of Purchase Agreement attached as Exhibit A to this Agreement, relating to such sale in accordance with Section 2(e) hereof.

SECTION 1. Representations and Warranties. The Company represents and warrants to each Agent as of the date hereof, as of the Commencement Date referred to in Section 2(g) hereof, and as of the times referred to in Sections 6(a) and 6(b) hereof (the Commencement Date and each such time being hereinafter sometimes referred to as a "Representation Date"), as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, has the corporate power and authority to own or lease and operate its properties, has the corporate power, authority and franchises to carry on its business as now conducted and has the corporate power and authority to carry on its business as presently proposed to be conducted, all as

described in the Prospectus hereinafter referred to; and the Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or character of its properties or the nature of its business or activities makes such qualification necessary and where the failure so to qualify or be in good standing would have a material adverse effect on the condition (financial or other), net worth or results of operations of the Company and its subsidiaries considered as one enterprise. All of the outstanding shares of Common Stock of the Company are validly issued and are held of record by Sierra Pacific Resources, a Nevada corporation.

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(b) Each of the subsidiaries of the Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the corporate power and authority to own or lease and operate its properties, has the corporate power, authority and franchises to carry on its business as now conducted and has the corporate power and authority to carry on its business as presently proposed to be conducted; each of the subsidiaries of the Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in each jurisdiction where the failure so to qualify or be in good standing would have a material adverse effect on the condition (financial or other), net worth or results of operations of the Company and its subsidiaries considered as one enterprise; all of the outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable; and all of the capital stock of each such subsidiary owned by the Company, directly or through subsidiaries, is owned free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(c) A registration statement on Form S-3, including a prospectus, relating to the Notes has been filed with the Securities and Exchange Commission (the "Commission") and has become effective. No order preventing or suspending the use or effectiveness of the Prospectus (as defined below) has been issued by the Commission or is in effect, and no proceedings for such purpose are pending before or threatened by the Commission. Such registration statement in the form in which it became effective, and as from time to time supplemented, and including all exhibits thereto is referred to as the "Registration Statement"; the prospectus relating to the Notes in the form in which it has most recently been filed, or transmitted for filing, with the Commission pursuant to Rule 424 under the Securities Act of 1933, as amended (the "Act"), together with all amendments or supplements thereto, is hereinafter referred to as the "Prospectus." Any reference to the Act shall include the rules and regulations of the Commission promulgated thereunder. Any reference to the Registration Statement or Prospectus or any amendment or supplement thereto shall include all documents

incorporated by reference therein (the "Incorporated Documents") pursuant to the applicable form under the Act. The Registration Statement and the Prospectus comply, and will, as amended or supplemented, if applicable, comply at all times during any Marketing Period (as defined below), in all material respects with the requirements of the Act and do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were or are made, not misleading, except that the foregoing does not apply to statements in or omissions from any such documents made in reliance upon and in conformity with written information furnished to the Company by any Agent specifically for use therein, or as to any statement in or omission from the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Indenture. "Marketing Period" shall mean any time when no suspension of solicitation of offers to purchase Notes pursuant to Sections 2(b) and 3(c) hereof shall be in effect and at any time when any Agent shall own any Notes purchased by such Agent from the Company with the intention of reselling them for a period not to exceed ninety (90) days after the delivery of, and payment for, such Notes or the Company has accepted an offer to purchase Notes but the related settlement has not occurred.

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(d) The Incorporated Documents complied when filed with the Commission, comply and will comply at all times during each Marketing Period, in all material respects with the applicable provisions of the Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and, when read together and with the other information in the Registration Statement or Prospectus, did not, do not and will not contain any untrue statement of a material fact and did not, do not and will not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were or are made, not misleading, except that the foregoing does not apply to statements in or omissions from any such documents made in reliance upon and in conformity with written information furnished to the Company by any Agent specifically for use therein. All references to the Exchange Act or the Trust Indenture Act shall include the rules and regulations of the Commission promulgated thereunder. The Incorporated Documents have been and will be at all times during each Marketing Period timely filed as required by the Exchange Act. There are no contracts or documents of the Company or any subsidiary of the Company which are required to be filed as exhibits to the Registration Statement which have not been filed as required.

(e) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, except as contemplated in the Prospectus, there has not been any material adverse

change in the condition (financial or other), net worth or results of operations of the Company and the subsidiaries considered as one enterprise.

(f) The financial statements in the Registration Statement and the Prospectus fairly present and will fairly present at all times during each Marketing Period the financial condition of the Company and the results of its operations; and said financial statements (including the related notes) have been and will be at all times during each Marketing Period prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except for any changes in which the independent accountants for the Company have concurred and which have been specifically disclosed to the Agents).

(g) The outside auditors whose report appears in the Company's most recent Annual Report on Form 10-K of the Company are independent public accountants as required by the Act.

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(h) Prior to each issuance and sale of Notes, the Company will have full corporate power and lawful corporate authority to authorize, issue and sell the Notes being issued and sold at that time, on the terms and conditions set forth herein, and has taken or will take all corporate action necessary therefor; the Company has obtained every consent, approval, authorization or other order of any regulatory body which is required for such authorization, issue or sale except as may be required under the Act or state securities laws; and, when duly and validly executed, authenticated and issued as provided in the Indenture and delivered pursuant to this Agreement and the Indenture, the Notes will constitute valid, legal and binding obligations of the Company enforceable against it in accordance with their respective terms and the terms of the Indenture and entitled to the benefits of the Indenture, except as enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws relating to or affecting enforcement of creditors' rights generally or by general equity principles. The Indenture conforms and the Notes will conform in all material respects to all statements in relation thereto contained in the Registration Statement and the Prospectus. The Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid, legal and binding instrument of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws relating to or affecting enforcement of creditors' rights generally or by general equity principles. The Indenture has been duly qualified under the Trust Indenture Act.

(i) Except as set forth in the Prospectus, the Company is not in violation of its Articles of Incorporation or by-laws or in default under

any agreement, indenture or instrument, the effect of which violation or default would be materially adverse to the condition (financial or other), net worth or results of operations of the Company. The performance by the Company of its obligations under this Agreement and any applicable Purchase Agreement and the consummation of the transactions contemplated herein and therein and the fulfillment of the terms hereof and thereof and execution and delivery by the Company of, and the compliance by the Company with, all the terms and provisions of the Notes and the Indenture will not result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, note agreement or other material agreement or instrument to which the Company or any of its subsidiaries is a party, or by which they or any of their property is bound, or the Articles of Incorporation or by-laws of the Company or any of its subsidiaries or any order, rule or regulation applicable to the Company or any of its subsidiaries of any court or of any federal or state regulatory body or administrative agency or other governmental body having jurisdiction over the Company or any of its subsidiaries or their respective or collective property.

(j) Except as set forth in the Prospectus, there is no pending action, suit or other proceeding to which the Company is a party or of which any property of the Company or any of its subsidiaries is the subject, before or by any court or other governmental body, which is likely to result in any material adverse change in the condition (financial or other), net worth or results of operations of the Company and its subsidiaries considered as one enterprise; and, except as set forth in the Prospectus, no such action, suit or proceeding is known by the Company to be threatened or contemplated.

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(k) The certificates delivered pursuant to Section 5(h) hereof and all other documents delivered by the Company or its representatives in connection with the issuance and sale of the Notes were on the dates on which they were delivered in all material respects true and complete.

(l) Each of this Agreement and any applicable written Purchase Agreement has been or will be duly and validly authorized, executed and delivered by the Company and, upon execution and delivery by the Agents and subject to any principles of public policy limiting the right to enforce the indemnification provisions contained herein, will be a valid and binding agreement of the Company.

(m) Each of the Mortgage Indenture and the Thirty-fifth Supplemental Indenture has been duly authorized, executed and delivered by the Company and is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency,

or other similar laws relating to or affecting enforcement of creditors' rights generally or by general equity principles. The Mortgage Indenture has been qualified under the Trust Indenture Act.

(n) The Company has good and sufficient title to all the properties described as owned by it in, and subject to the lien of, the Mortgage Indenture (the "Mortgage Properties"), subject only to Permitted Liens (as defined in the Mortgage Indenture), and to minor defects and irregularities customarily found in properties of like size and character that do not materially impair the use of the property affected thereby in the operation of the business of the Company; the descriptions in the Mortgage Indenture of the Mortgage Properties are adequate to constitute the Mortgage Indenture a lien thereon; and the Mortgage Indenture constitutes a valid lien on the Mortgage Properties, which include substantially all of the permanent physical properties and franchises of the Company (other than those expressly excepted), subject only to the exceptions enumerated above.

(o) The Mortgage Bonds deposited with the Trustee as the basis for the issuance of the Notes have, to the extent that such Mortgage Bonds have been designated by the Company as designated mortgage bonds (the "Designated Mortgage Bonds"), been duly pledged to the Trustee, and the Indenture will, upon payment for the Notes issued upon the basis of the Designated Mortgage Bonds so deposited, constitute a valid first lien thereupon; no registration, recording or filing of the Indenture (or notices or financing statements in respect thereof) is required by law to make effective and to maintain the lien on the Designated Mortgage Bonds so deposited intended to be created by the Indenture.

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(p) The Company has full corporate power and lawful corporate authority to authorize, issue and pledge the Mortgage Bonds and has taken or will take all corporate action necessary therefor; the Company has obtained every consent, approval, authorization or other order of any regulatory body which is required for such authorization, issue or pledge. The Mortgage Indenture and the Mortgage Bonds conform in all material respects to all statements in relation thereto contained in the Registration Statement and the Prospectus.

(q) The Mortgage Bonds deposited with the Trustee and the Designated Mortgage Bonds pledged to the Trustee as the basis for the issuance of the Securities constitute legal, valid and binding obligations of the Company, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws, and to general principles of equity, and will be entitled to the security afforded by the Mortgage Indenture equally and ratably with the securities outstanding thereunder.

(r) The Company is not an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

SECTION 2. Solicitations as Agent; Purchases as Principal.

(a) Appointment. Subject to the terms and conditions stated herein, including, without limitation, the provisions of Section 11 hereof, the Company hereby appoints each of the Agents as the co-exclusive agents of the Company for the purpose of soliciting or receiving offers to purchase the Notes from the Company by others during any Marketing Period. On the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, each Agent agrees, as a co-exclusive agent of the Company, to use its reasonable best efforts to solicit offers to purchase the Notes upon the terms and conditions set forth in the Prospectus. The Agents are not authorized to appoint sub-agents or to engage the services of any other broker or dealer in connection with the offer or sale of the Notes, except as provided in paragraph (e) of this Section. Except as otherwise provided herein, including, without limitation, the provisions of Section 11 hereof, so long as this Agreement shall remain in effect with respect to any Agent, the Company shall not, without the consent of each such Agent (which consent shall not unreasonably be withheld), solicit or accept offers to purchase Notes otherwise than through one of the Agents, PROVIDED, HOWEVER, the Company expressly reserves the right to sell Notes directly to investors, in which case no commission will be payable with respect to such sale. Each Agent may also purchase Notes from the Company as principal for purposes of resale, as more fully described in paragraph (e) of this Section.

(b) Suspension of Solicitation. The Company reserves the right, in its sole discretion, to suspend solicitation of offers to purchase the Notes commencing at any time for any period of time or indefinitely. As soon as practicable, but in any event not later than one business day after receipt of notice from the Company, the Agents will forthwith suspend solicitation of offers to purchase Notes from the Company until such time as the Company has advised the Agents that such solicitation may be resumed.

For the purpose of the foregoing sentence, "business day" shall mean any day which is not a Saturday or Sunday and which is not a day on which (i) banking institutions are generally authorized or obligated by law to close in the City of New York or (ii) The New York Stock Exchange is closed for trading.

Upon receipt of notice from the Company as contemplated by Section 3(b) hereof, each Agent shall suspend its solicitation of offers to purchase Notes until such time as the Company shall have furnished it with an amendment or supplement to the Registration Statement or the Prospectus, as the case may be, contemplated by Section 3(c) and shall have advised such Agent that such

solicitation may be resumed.

(c) Agent's Commission. Upon the closing of the sale of any Notes sold by the Company as a result of a solicitation made by or offer to purchase received by an Agent, the Company agrees to pay such Agent a commission in accordance with the schedule set forth in Exhibit B hereto.

(d) Solicitation of Offers. The Agents are authorized to solicit offers to purchase the Notes only in the denominations specified in the Prospectus, at a purchase price equal to 100% of the principal amount thereof or such other principal amount or purchase price as shall be specified by the Company. Each Agent shall communicate to the Company, orally or in writing, each reasonable offer to purchase Notes received by it as an Agent. The Company shall have the sole right to accept offers to purchase the Notes and may reject any offer in whole or in part. Each Agent shall have the right, in its discretion reasonably exercised, to reject any offer to purchase the Notes received by it, without advising the Company, in whole or in part, and any such rejection shall not be deemed a breach of its agreement contained herein.

No Note which the Company has agreed to sell pursuant to this Agreement shall be deemed to have been purchased and paid for, or sold by the Company, until such Note shall have been delivered to the purchaser thereof against payment therefor by such purchaser.

(e) Purchases as Principal. Each sale of Notes to any Agent as principal, for resale to one or more investors or to another broker-dealer (acting as principal for purposes of resale), shall be made in accordance with the terms of this Agreement and a Purchase Agreement, whether oral (and confirmed in writing by such Agent to the Company, which may be by facsimile transmission) or in writing, which will provide for the sale of such Notes to, and the purchase thereof by, such Agent. A Purchase Agreement may also specify certain provisions relating to the reoffering of such Notes by such Agent. The commitment of any Agent to purchase Notes from the Company as principal shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Purchase Agreement shall specify the principal amount and terms of the Notes to be purchased by an Agent, the time and date (each such time and date being referred to herein as a "Time of Delivery") and place of delivery of and payment for such Notes and such other information (as applicable) as is set forth in Exhibit A hereto.

The Company agrees that if any Agent purchases Notes as principal for resale such Agent shall receive such compensation, in the form of a discount or otherwise, as shall be indicated in the applicable Purchase Agreement or, if no compensation is indicated therein, a commission in accordance with Exhibit

B hereto. Any Agent may utilize a selling or dealer group in connection with the resale of such Notes. In addition, any Agent may offer the Notes it has purchased as principal to other dealers. Any Agent may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Supplement (as such term is defined in Section 3(a) hereof), such discount allowed to any dealer will not be in excess of the discount to be received by such Agent from the Company. Such Purchase Agreement shall also specify any requirements for delivery of opinions of counsel, accountant's letters and officers' certificates pursuant to Section 5 hereof.

The obligation of the Company to sell and deliver Notes, pursuant to any Purchase Agreement or otherwise, shall in each case be subject to the condition that, on any settlement date for the sale of Notes or the Time of Delivery, as the case may be, no stop order suspending the effectiveness of the Registration Statement shall have been issued and still be in effect and no proceedings for that purpose shall be pending before, or to the knowledge of the Company or the Agents contemplated or threatened by, the Commission. Each date of delivery of and payment for Notes to be purchased by an Agent pursuant to a Purchase Agreement is referred to herein as a "Settlement Date."

(f) Administrative Procedures. Administrative procedures respecting the sale of Notes (the "Procedures") are set forth in Exhibit C hereto and may be amended from time to time in writing signed by each of the Agents and the Company. Each Agent and the Company agree to perform the respective duties and obligations specifically provided to be performed by each of them herein and in the Procedures. The Procedures shall apply to all transactions contemplated hereunder including sales of Notes to any Agent as principal pursuant to a Purchase Agreement, unless otherwise set forth in such Purchase Agreement.

(g) Delivery of Documents. The documents required to be delivered by Section 5 hereof shall be delivered at the offices of Ropes & Gray not later than 10:00 a.m., Boston time, on the date of this Agreement or at such later time as may be mutually agreed upon by the Company and the Agents, which in no event shall be later than the time at which the Agents commence solicitation of offers to purchase Notes hereunder. The date of delivery of such documents is referred to herein as the "Commencement Date."

(h) Obligations Several. The Company acknowledges that the obligations of the Agents under this Agreement are several and not joint.

SECTION 3. Covenants of the Company. The Company covenants and agrees with each of the Agents, as follows:

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(a) Amendments and Supplements to Registration Statement and Prospectus. The Company will give the Agents notice of its intention to file any amendment to the Registration Statement or amendment or

supplement to the Prospectus (other than a supplement providing solely for the specification of the interest rates, maturity dates, issuance prices, redemption terms and prices, if any, and other terms of Notes sold pursuant hereto (any such supplement being hereinafter called a "Pricing Supplement")), whether by the filing of documents pursuant to the Act, the Exchange Act or otherwise, and will furnish the Agents with copies of any such amendment or supplement or other documents proposed to be filed a reasonable time in advance of such proposed filing.

(b) Notice to Agents of Certain Events. The Company will notify each of the Agents immediately, and confirm in writing if requested by the Agents in any particular instance, (i) when any amendment or post-effective amendment to the Registration Statement has been filed and/or becomes effective or when any supplement or amendment to the Prospectus has been filed, (ii) of the issuance of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus relating to the Notes or the Prospectus or of the initiation or threatening known by it of any proceedings for such purposes, (iii) of the receipt of any comments from the Commission in respect of the Registration Statement, any such preliminary prospectus or the Prospectus, or requesting the amendment or supplementation of the Registration Statement, any such preliminary prospectus or the Prospectus or additional information, (iv) of any action by any governmental authority altering, suspending or otherwise affecting any authorization, consent, approval or waiver issued in connection with the Notes and (v) of the commencement of any litigation or administrative proceeding relating to the issue and sale of the Notes. If the Commission shall enter a stop order or any order preventing or suspending the use of any such preliminary prospectus or the Prospectus at any time, or shall initiate any proceedings for such purposes, the Company will make every reasonable effort to prevent the issuance of such order and, if issued, to obtain the lifting thereof. If the Prospectus is amended or supplemented as a result of the filing under the Exchange Act of any document incorporated by reference in the Prospectus, no Agent shall be obligated to solicit offers to purchase Notes so long as it is not reasonably satisfied with such documents.

(c) Revisions to Prospectus or Registration Statement. During any Marketing Period, the Company will comply with all requirements imposed upon it by the Act and the Exchange Act, as now and hereafter amended, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Notes as contemplated by the provisions hereof and the Prospectus; and if during any Marketing Period any event occurs or condition exists as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances then existing, not misleading, or if, in the opinion of the Agents (of which opinion such Agents shall immediately notify the Company by telephone with confirmation in writing) or in the opinion of the Company, during such period it is necessary to

amend or supplement the Registration Statement or the Prospectus, as then amended or supplemented, to comply in all material respects with the Act or the Exchange Act, the Company will immediately notify each of the Agents by telephone (with confirmation in writing) to suspend solicitation of offers to purchase Notes and, if so notified by the Company, the Agents shall forthwith suspend such solicitation and cease using the Prospectus, as then amended or supplemented.

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If the Company shall decide to amend or supplement the Registration Statement or Prospectus, as then amended or supplemented, it shall so advise the Agents promptly by telephone (with confirmation in writing) and, at its expense, shall prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or Prospectus, as then amended or supplemented, that will correct such statement or omission or effect such compliance and will supply such amended or supplemented Prospectus to the Agents in such quantities as they may reasonably request. If any documents, certificates, opinions and letters furnished to the Agents pursuant to Sections 6(b), 6(c) and 6(d) in connection with the preparation and filing of such amendment or supplement are satisfactory in all respects to the Agents, upon the filing with the Commission of such amendment or supplement to the Prospectus or upon the effectiveness of an amendment to the Registration Statement, the Agents will resume the solicitation of offers to purchase Notes hereunder. Notwithstanding any other provision of this Section 3(c), until the distribution of any Notes an Agent may own as principal has been completed, if any event described above in this paragraph (c) occurs, the Company will, at its own expense, forthwith prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or Prospectus, as then amended or supplemented, satisfactory in all respects to such Agent, will supply such amended or supplemented Prospectus to such Agent in such quantities as it may reasonably request and shall furnish to such Agent pursuant to Sections 6(b), 6(c) and 6(d) such documents, certificates, opinions and letters as it may request in connection with the preparation and filing of such amendment or supplement; provided that should such event described above in this paragraph (c) relate solely to activities of any Agent or Agents, then such Agent or Agents, as the case may be, shall assume the expense of preparing and furnishing any such amendment or supplement.

(d) Earning Statement. As soon as practicable the Company will make generally available to its security holders and deliver to each of the Agents an earning statement which shall satisfy the provisions of Section 11(a) of the Act and the rules and regulations of the Commission thereunder, including Rule 158 issued thereunder.

(e) Delivery of Signed Registration Statement and Other Documents.

The Company will deliver to each of the Agents and to counsel for the Agents without charge as promptly as practicable a signed copy of the Registration Statement and all amendments thereto including all exhibits filed therewith and signed consents, certificates and opinions of accountants and of any other persons named in the Registration Statement as having prepared, certified or reviewed any part thereof, and will deliver to the Agents without charge such number of unsigned copies of the Registration Statement, without exhibits, and of all amendments thereto, as the Agents may reasonably request. The Company will deliver to or upon order of the Agents without charge as many copies of each preliminary prospectus relating to the Notes as the Agents may reasonably request and as many copies of the Prospectus in final form, or as thereafter amended or supplemented, as the Agents may reasonably request.

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(f) Blue Sky Qualifications. The Company will cooperate with the Agents in connection with the qualification of the Notes for sale under the securities laws of such jurisdictions as the Agents may reasonably designate and the continuance of such qualifications in effect so long as required for the distribution of the Notes, provided that the Company shall not be required to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to submit to any requirement which it deems unduly burdensome. The Company will advise each of the Agents promptly of any order or communication of any public authority addressed to the Company suspending or threatening to suspend the qualification of the Notes for sale, or the eligibility of the Notes for purchase by such institutions, in any jurisdiction.

(g) Copies of Reports and Financial Statements. For the period ending five years from the Commencement Date, the Company will deliver to each of the Agents (i) as soon as available, a copy of each report of the Company mailed to public security holders or filed with the Commission and (ii) such additional information concerning the business and financial condition of the Company as such agent may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission).

(h) Application of Net Proceeds. The Company will apply the net proceeds from the sale of the Notes for the purposes set forth in the Prospectus.

(i) Suspension of Certain Obligations. The Company shall not be required to comply with the provisions of paragraphs (c) or (g) of this Section 3 during any Marketing Period from the time the Agents shall have suspended solicitation of purchases of the Notes in their capacity as agents pursuant to a request from the Company pursuant to Section 2(b)

hereof to the time the Company shall determine that solicitation of purchases of the Notes should be resumed or shall subsequently enter into a new Purchase Agreement with an Agent, PROVIDED, HOWEVER, that compliance with such paragraphs shall be required for any portion of such period during which any Agent shall hold any Notes as principal purchased pursuant to the Purchase Agreement.

(j) Downgrading. The Company shall notify the Agents promptly in writing of any downgrading, or its receipt of any notice of any intended or potential downgrading or of any review for possible change that does not indicate the direction of the possible change, in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Act.

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(k) During the period beginning the date of any Purchase Agreement and continuing to and including the Settlement Date with respect to such Purchase Agreement, the Company will not, without such Agent's prior written consent, offer, sell, contract to sell or otherwise dispose of any debt securities of the Company or warrants to purchase debt securities of the Company substantially similar to such Notes (other than (i) Notes that are to be sold pursuant to such Purchase Agreement, (ii) Notes previously agreed to be sold by the Company and (iii) commercial paper issued in the ordinary course of business), except as may otherwise be provided in such Purchase Agreement.

SECTION 4. Payment of Expenses. The Company will pay (i) the costs incident to the authorization, issuance, sale and delivery of the Notes and any taxes payable in connection therewith, (ii) the costs incident to the preparation, printing and filing under the Act of the Registration Statement and any amendments and exhibits thereto and the Prospectus and any amendments and supplements thereto, (iii) the costs incident to the preparation, printing and filing of any document and any amendments and exhibits thereto required to be filed by the Company under the Exchange Act, (iv) the costs of distributing the Registration Statement, as originally filed, and each amendment and post-effective amendment thereof (including exhibits), any preliminary prospectus, the Prospectus, any supplement or amendment to the Prospectus and any documents incorporated by reference in any of the foregoing documents, (v) the costs and expenses incident to the preparation, execution and delivery of the Indenture and the Supplemental Indenture, (vi) the fees and disbursements of the Trustee, any paying agent, any calculation agent, and any other agents appointed by the Company, and their respective counsel, (vii) the costs and fees in connection with the listing of the Notes on any securities exchange, (viii) the cost of any filings with the National Association of Securities Dealers, Inc., (ix) the fees and disbursements of counsel for the Company, counsel for the Agents, counsel for the Trustee and the Company's accountants, (x) the fees paid to rating agencies in connection

with the rating of the Notes, (xi) the fees and expenses of qualifying the Notes under the securities laws of the several jurisdictions as provided in Section 3(f) hereof and of preparing and printing and distributing a Blue Sky Memorandum, (xii) all advertising expenses in connection with the offering of the Notes incurred with the consent of the Company, (xiii) all reasonable out-of-pocket expenses incurred by the Agents in connection with the transactions contemplated hereunder, (xiv) any expenses incurred by the Company in connection with a "road show" presentation to potential investors and (xv) other costs and expenses incident to the performance of the Company's obligations under this Agreement.

SECTION 5. Conditions of Obligations of Agents. The obligation of the Agents, as the agents of the Company, under this Agreement to solicit offers to purchase the Notes, the obligation of any person who has agreed to purchase Notes to make payment for and take delivery of Notes, and the obligation of any Agent to purchase Notes pursuant to any Purchase Agreement, is subject to the accuracy, on each Settlement Date and in the case of an Agent's obligation to solicit offers to purchase Notes, at the time of such solicitation, of the representations and warranties of the Company contained herein, to the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

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(a) Registration Statement. The Registration Statement shall have become effective under the Act and the Indenture shall have been qualified under the Trust Indenture Act, and no stop order suspending the effectiveness of the Registration Statement or the qualification of the Indenture, or order preventing or suspending the use of any Prospectus, shall have been issued and no proceeding for that purpose shall have been initiated or, to the knowledge of the Company or the Agents, contemplated or threatened by the Commission; any request for additional information on the part of the Commission (to be included in the Registration Statement or the Prospectus or otherwise) shall have been complied with; and no amendment to the Registration Statement or Prospectus shall have been filed to which the Agents shall have reasonably objected, in writing, after having received notice pursuant to Section 3(a).

(b) Regulatory Approvals. There shall be in full force and effect appropriate orders or decrees of the Public Service Commission of Nevada and the California Public Utilities Commission (or such other regulatory bodies as may subsequently have jurisdiction) authorizing to the extent required by law the offering, issuance and sale of the Notes as herein provided. Any such decision, order or decree issued after the date hereof shall contain no condition inconsistent with the provisions hereof or reasonably unacceptable to the Agents (it being understood and agreed that no such order or decree in effect on the date of this Agreement

contains any such unacceptable provision).

(c) Absence of Certain Changes. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there shall not have been any downgrading nor shall any notice have been given of any intended or potential downgrading or of any review for possible change that does not indicate the direction of the possible change, in the ratings accorded the Company's debt securities by Moody's Investors Service, Inc., Standard and Poor's Corporation or Duff & Phelps, Inc., or, except as contemplated in the Prospectus, any change in the capital stock, short-term debt or long-term debt of the Company, or any adverse change or any development involving a prospective adverse change in the condition (financial or other), net worth or results of operations of the Company and its subsidiaries, considered as one enterprise, which, in any such event, in the Agents' judgment, is material and adverse and that makes it, in the judgment of such Agents, impracticable to market the Notes on the terms and in the manner contemplated by the Prospectus, as so amended or supplemented, or materially impairs the investment quality of the Notes.

(d) Legal Matters Satisfactory to Counsel. The authorization and issuance of the Notes, the Indenture, the Mortgage Indenture, the Mortgage Bonds, the Registration Statement, the Prospectus and all corporate proceedings and other legal matters incident thereto shall be satisfactory in all respects to counsel for the Agents, and the Company shall have furnished to counsel for the Agents such documents as they may reasonably request to enable them to be satisfied with respect to the matters referred to in this subparagraph and to pass upon such matters.

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(e) Opinion of Choate, Hall & Stewart. On the Commencement Date, the Agents shall have received the opinion, addressed to the Agents and dated the Commencement Date, of Choate, Hall & Stewart, special counsel for the Company, in the form set forth in Exhibit D to this Agreement.

(f) Opinion of Woodburn and Wedge. On the Commencement Date, the Agents shall have received the opinion, addressed to the Agents and dated the Commencement Date, of Woodburn and Wedge, counsel for the Company in the state of Nevada, in the form set forth in Exhibit E to this Agreement.

(g) Opinion of Graham & James LLP. On the Commencement Date, the Agents shall have received the opinion, addressed to the Agents and dated the Commencement Date, of Graham & James LLP, counsel for the Company in the State of California, in the form set forth in Exhibit F to this Agreement.

(h) Officers' Certificate. The Company shall have furnished to the Agents on the Commencement Date a certificate, dated the Commencement

Date as though made at and as of the Commencement Date, of its President or a Vice President and of a principal financial or accounting officer of the Company, covering the matters set forth in Exhibit G to this Agreement.

(i) Accountants' Letters. The Company shall have furnished to the Agents on the Commencement Date a letter from its independent accountants, addressed jointly to the Company and the Agents and dated the Commencement Date, of the type described in the American Institute of Certified Public Accountants Statement on Auditing Standards No. 72, covering specified financial statement items and procedures set forth in Exhibit H to this Agreement.

(j) Additional Conditions. There shall not have occurred: a suspension or material limitation in trading in securities generally on or by the New York Stock Exchange, the American Stock Exchange or the over-the-counter market or the establishment of minimum prices on such exchanges or market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction; suspension of trading of any securities of the Company on any exchange or in any over-the-counter market; a general moratorium on commercial banking activities declared by either Federal or New York State authorities; any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national calamity or emergency; if the effect of any such occurrence in the judgment of the Agents makes it impracticable or inadvisable to proceed with the solicitation of offers to purchase Notes or the purchase of Notes from the Company as principal pursuant to the applicable Purchase Agreement, as the case may be, on the terms and in the manner contemplated by the Prospectus, as amended or supplemented.

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(k) Opinion of Ropes & Gray. At the Commencement Date, the Agent shall have received the opinion, addressed to the Agents and dated the Commencement Date of Ropes & Gray, counsel for the Agents, in form and substance satisfactory to the Agents with respect to the incorporation of the Company, the validity of the Notes, the Registration Statement, the Prospectus and other related matters as they may require, and the Company shall have furnished to such counsel such documents as the Agents may reasonably request for the purpose of enabling them to pass upon such matters.

(l) Other Information and Documentation. Prior to the Commencement Date, the Company shall have furnished to the Agents such further information, certificates and documents as the Agents or counsel for the Agents may have reasonably requested.

Ropes & Gray and Choate, Hall & Stewart, in giving their opinions

pursuant to this Section 5, may rely upon the opinion of Graham & James LLP as to all legal conclusions affected by the laws of California, and upon the opinion of Woodburn and Wedge as to all legal conclusions affected by the laws of Nevada.

SECTION 6. Additional Covenants of the Company. The Company covenants and agrees that:

(a) Acceptance of Offer Affirms Representations and Warranties. Each acceptance by it of an offer for the purchase of Notes shall be deemed to be an affirmation that the representations and warranties of the Company contained in this Agreement and in any certificate theretofore given to the Agents pursuant hereto are true and correct at the time of such acceptance, and an undertaking that such representations and warranties will be true and correct at the time of delivery to the purchaser or his agent of the Notes relating to such acceptance as though made at and as of each such time (and such representations and warranties shall relate to the Registration Statement and the Prospectus as amended or supplemented to each such time).

(b) Subsequent Delivery of Officers' Certificates. The Company agrees that during each Marketing Period, each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by a Pricing Supplement), each time the Company sells Notes to an Agent as principal and the applicable Purchase Agreement specifies the delivery of an officers' certificate under this Section 6(b) as a condition to the purchase of Notes pursuant to such Purchase Agreement and each time the Company files with the Commission any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K unless an Agent shall otherwise reasonably request), the Company shall submit to the Agents and their counsel a certificate of the President or Vice President or a principal financial or accounting officer of the Company, (i) as of the date of such amendment, supplement and Time of Delivery

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relating to such sale or filing or (ii) if such amendment, supplement or filing was not filed during a Marketing Period, as of the first day of the next succeeding Marketing Period, representing that the statements contained in the certificate referred to in Section 5(h) hereof which was last furnished to the Agents are true and correct at the time of such amendment, supplement or filing, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented at such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 5(h), modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such

certificate.

(c) Subsequent Delivery of Legal Opinions. The Company agrees that during each Marketing Period, each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by a Pricing Supplement), each time the Company sells Notes to an Agent as principal and the applicable Purchase Agreement specifies the delivery of legal opinions under this Section 6(c) as a condition to the purchase of Notes pursuant to such Purchase Agreement and each time the Company files with the Commission any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K unless an agent shall otherwise reasonably request), the Company shall (i) concurrently with such amendment, supplement and Time of Delivery relating to such sale or filing or (ii) if such amendment, supplement or filing was not filed during a Marketing Period, on the first day of the next succeeding Marketing Period, furnish the Agents and their counsel with the written opinions of counsel to the Company, addressed to the Agents and dated the date of delivery of such opinion, in form satisfactory to the Agents, of the same tenor as the opinions referred to in Sections 5(e), 5(f) and 5(g) hereof, respectively, but modified, as necessary, to relate to the Registration Statement and the Prospectus as amended or supplemented to the time of delivery of such opinion; PROVIDED, HOWEVER, that in lieu of such opinions, such counsel may furnish the Agents and their counsel with a letter to the effect that the Agents may rely on any prior opinion of such counsel to the same extent as though it were dated the date of such letter authorizing reliance (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented to the time of delivery of such letters authorizing reliance).

(d) Subsequent Delivery of Accountants' Letters. The Company agrees that during each Marketing Period, each time that the Registration Statement or the Prospectus shall be amended or supplemented to include additional financial information derived from the books and records of the Company, each time the Company sells Notes to an Agent as principal and the applicable Purchase Agreement specifies the delivery of letters under this Section 6(d) as a condition to the purchase of Notes pursuant to such Purchase Agreement and each time the Company files with the Commission any document incorporated by reference into the Prospectus which contains additional financial information derived from the books and records of the Company, the Company shall cause the Company's independent public accountants to furnish the Agents and their

counsel (i) concurrently with such amendment, supplement and Time of Delivery relating to such sale or filing or (ii) if such amendment, supplement or filing was not filed during a Marketing Period, on the first day of the next succeeding Marketing Period, a letter, addressed

jointly to the Company and the Agents and dated the date of delivery of such letter, in form and substance of the type described in the relevant statements of auditing standards, currently American Institute of Certified Public Accountants Statement on Auditing Standards No. 72, and of the same tenor as the letters referred to in Section 5(i) hereof but modified to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter, with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Company; PROVIDED, HOWEVER, that if the Registration Statement or the Prospectus is amended or supplemented solely to include financial information as of and for a fiscal quarter, said outside auditors may refer to their previously issued letter, shall reaffirm all statements made in that letter and may limit the scope of such additional letter to the unaudited consolidated financial statements included in such amendment or supplement and certain agreed procedures, if any, of the type described in the American Institute of Certified Public Accountants Statement on Auditing Standards No. 72, covering specified financial statement items and procedures set forth in Exhibit H to this Agreement.

(e) Opinions on Settlement Date. On any Settlement Date, the Company shall, if requested by the Agent that solicited or received the offer to purchase any Notes being delivered on such Settlement Date, furnish such Agent and its counsel with the written opinions of counsel to the Company, addressed to the Agents and dated such settlement date, in form satisfactory to the Agents, of the same tenor as the opinions referred to in Sections 5(e), 5(f) and 5(g) hereof, respectively, but modified, as necessary, to relate to the Prospectus relating to the Notes to be delivered on such settlement date; PROVIDED, HOWEVER, that in lieu of such opinions, such counsel may furnish such Agent and its counsel with a letter to the effect that such Agent may rely on any prior opinion of such counsel to the same extent as though it were dated such settlement date (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented to the time of delivery of such letter authorizing reliance).

SECTION 7. Indemnification and Contribution.

(a) The Company will indemnify and hold harmless each Agent and each person, if any, who controls such Agent within the meaning of the Act or the Exchange Act from and against any losses, claims, damages or liabilities and any action in respect thereof to which such Agent or such controlling person may become subject, under the Act or otherwise, with respect to the Notes, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission

or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Agent and each such controlling person for any legal or other expenses reasonably incurred by such Agent or such controlling person in connection with investigating or defending against any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the Prospectus, or such amendment or such supplement, in reliance upon and in conformity with written information furnished to the Company by such Agent specifically for use in the preparation thereof, or as to any statement in or omission from the Statement of Eligibility and Qualification (Form T-1) of the Trustee under the Indenture; and provided, further, that, insofar as it relates to the Prospectus, the indemnity agreement contained in this Section 7(a) shall not inure to the benefit of any Agent or any person who controls such Agent on account of any losses, claims, damages or liabilities (or actions in respect thereof) arising from the sale of Notes by such Agent pursuant to a Purchase Agreement to any person if a copy of the Prospectus, as amended or supplemented, shall not have been sent or given to such person with or prior to the written confirmation of the sale involved to the extent that the Prospectus, as amended or supplemented, if so sent or delivered, would have cured the defect in the Prospectus giving rise to such losses, claims, damages, liabilities or actions in respect thereof; and provided, further, that if, at any time after the date of filing the Prospectus or any amendment or supplement to the Prospectus with the Commission, any event shall have occurred as a result of which the Prospectus as then amended or supplemented ("Current Prospectus") would include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, and if the Company shall have furnished to any Agent copies of an amended Prospectus ("Amended Prospectus") or of a supplement to be attached to or furnished with the Current Prospectus ("Supplement"), to which the Agent shall not have objected pursuant to Section 5(a) hereof, for delivery in connection with offers and sales of the Notes, the indemnity agreement contained in this Section 7(a), insofar as it relates to the Current Prospectus, shall not inure to the benefit of such Agent on account of any losses, claims, damages, liabilities or actions in respect thereof arising from the sale of Notes by such Agent to any person subsequent to the time such copies have been so furnished to such Agent, if a copy of the Amended Prospectus or the Supplement, as the case may be, shall not have been sent or given to such person with or prior to the written confirmation of the sale involved, to the extent that the Amended Prospectus or the Supplement, if so sent or

delivered, would have cured the defect in the Current Prospectus giving rise to such losses, claims, damages, liabilities or actions in respect thereof. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

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(b) Each Agent agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Act or the Exchange Act, against any losses, claims, damages or liabilities and any action in respect thereof to which the Company or any such director, officer or controlling person may become subject, under the Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Prospectus or such amendment or such supplement, in reliance upon and in conformity with written information furnished to the Company by such Agent specifically for use therein, (ii) in the case of the sale of Notes by such Agent pursuant to a Purchase Agreement to any person, the failure of such Agent to send or give to such person a copy of the Prospectus, as amended or supplemented, with or prior to the written confirmation of the sale involved to the extent that the Prospectus, as amended or supplemented, if so sent or delivered, would have cured the defect in the Prospectus giving rise to such losses, claims, damages, liabilities or actions, or (iii) the failure of such Agent to send or deliver to any person an Amended Prospectus or Supplement, with or prior to the written confirmation of a sale pursuant to a Purchase Agreement, to which Amended Prospectus or Supplement the Agent shall not have objected pursuant to Section 5(a) hereof and which the Company shall have furnished to such Agent, if any event shall have occurred as a result of which (x) the Current Prospectus would include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made when such Prospectus is delivered, not misleading and (y) the Amended Prospectus or Supplement, as the case may be, so sent or delivered, would have cured the defect in the Current Prospectus giving rise to such losses, claims, damages, liabilities or actions. This indemnity agreement will be in addition to any liability which such Agents may otherwise have.

(c) Promptly after receipt by an indemnified party under this

Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party, similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and

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after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless, in the case of an indemnification obligation arising under subparagraph (a) of this Section 7, (i) the employment of additional counsel has been authorized in writing by the Company in connection with defending such action, or (ii) the Company and such Agent or controlling person are advised by such additional counsel that such Agent or controlling person has available defenses involving a potential conflict with the interests of the Company, in either of which events, the fees and expenses of such additional counsel shall be borne by the Company.

(d) If the indemnification provided for in this Section 7 is unavailable (or insufficient to hold harmless an indemnified party) under subparagraph (a) or (b) above (by reason of a failure of the indemnified party to give a notice required by subparagraph (c) above or for any other reason whatever) to a party that would have been an indemnified party under subparagraph (a) or (b) above ("indemnified party") in respect of any losses, claims, damages, liabilities or actions referred to therein, then each party that would have been an indemnifying party thereunder ("indemnifying party") shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or actions in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and each Agent on the other from the offering of the Notes to which such loss, claim, damage or liability (or action in respect thereof) relates and the relative fault of the Company on the one hand and each Agent on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or actions, as well as any other relevant equitable considerations. The relative benefits received by the

Company on the one hand and each Agent on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total commissions (or discounts) received by each Agent with respect to such offering. The relative fault of the Company on the one hand and each Agent on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by such Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Each Agent's obligation to contribute pursuant to this Section 7 shall be several in the proportion that the principal amount of the Notes the sale of which by or through such Agent gave rise to such losses, claims, damages or liabilities bears to the aggregate principal amount of the Notes the sale of which by or through any Agent gave rise to such losses, claims, damages or liabilities, and not joint. The Company and the Agents agree that it would not be just and equitable if contribution pursuant to this subparagraph (d) were determined by pro rata allocation (even if the Agents were treated as one entity for such purpose) or by any other method of allocation which does not take

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account of the equitable considerations referred to above in this subparagraph (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or actions referred to above in this subparagraph (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim (which shall be limited as provided in subparagraph (c) above if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof). Notwithstanding the provisions of this Section 7, no Agent shall be required to contribute any amount in excess of the amount by which the total price at which the Notes that were offered and sold to the public through such Agent exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

SECTION 8. Status of each Agent. In soliciting offers to purchase the Notes from the Company pursuant to this Agreement (other than in respect of any Purchase Agreement), each Agent is acting individually and not jointly and is acting solely as agent for the Company and not as principal. Each

Agent will make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Notes from the Company has been solicited by such Agent and accepted by the Company, but such Agent shall have no liability to the Company in the event any such purchase is not consummated for any reason. If the Company shall default in its obligations to deliver Notes to a purchaser whose offer it has accepted, the Company shall (a) hold the Agents harmless against any loss, claim or damage arising from or as a result of such default by the Company and (b), in particular, pay to the Agents any commission to which they would be entitled in connection with such sale.

SECTION 9. Representations and Warranties to Survive Delivery. All representations and warranties of the Company contained in this Agreement, or contained in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect, regardless of the termination or cancellation of this Agreement or any investigation made by or on behalf of any Agent or any person controlling such Agent or by or on behalf of the Company, and shall survive each delivery of and payment for any of the Notes.

SECTION 10. Termination. The appointment of an Agent and the obligations of such Agent under this Agreement may be terminated at any time either by the Company or by such Agent upon the giving of one day's written notice of such termination to such Agent or the Company, as the case may be. The provisions of Sections 2(c), 3(d), 3(f), 3(g), 4, 7, 8, 9, 12, 13 and 14 hereof shall survive any such termination.

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SECTION 11. Additional Agents. The Company may appoint one or more additional agents for the purpose of soliciting or receiving offers to purchase the Notes from the Company by others; provided that any such additional agent shall become a party to this Agreement prior to soliciting or receiving offers to purchase the Notes.

SECTION 12. Notices. Except as otherwise provided herein, all notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Agents shall be directed to them as follows: Lehman Brothers Inc., 3 World Financial Center, New York, New York, 10285, Attention: Medium-Term Note Department, Telephone No.: (212) 526-2040, Telecopy No.: (212) 528-1718; UBS Securities LLC, 299 Park Avenue, New York, New York 10171, Attention: Richard Messina, Telephone No.: (212) 821-4542, Telecopy No.: (212) 821-3667; and A.G. Edwards & Sons, Inc., One North Jefferson Avenue, St. Louis, Missouri 63103, Attention: John Meiners, Telephone No.: (314) 955-5800, Telecopy No.: (314) 955-7387; notices to the Company shall be directed to it as follows: 6100 Neil Road, P.O. Box 30150, Reno, Nevada 89520, Attention: Richard K. Atkinson, Telephone No.: (702)

689-4358, Telecopy No.: (702) 689-5462; or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 12.

SECTION 13. Binding Effect; Benefits. This Agreement shall be binding upon each Agent, the Company, and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any Agent within the meaning of the Act or the Exchange Act, and (b) the indemnity agreement of the Agents contained in Section 7 hereof shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of said Act or the Exchange Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of any of the Notes from any Agent shall be construed as a successor or assign merely by reason of such purchase.

SECTION 14. Governing Law; Counterparts. This Agreement shall be governed by and construed in accordance with the laws of New York. This Agreement may be executed by the parties on separate counterparts and the executed counterparts shall together constitute a single instrument.

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If the foregoing correctly sets forth our agreement, please indicate your acceptance hereof in the space provided for that purpose below.

Very truly yours,

SIERRA PACIFIC POWER COMPANY

By: /s/ William E. Peterson

William E. Peterson
Senior Vice President, General Counsel
and Corporate Secretary

CONFIRMED AND ACCEPTED, as of the date first
above written:

LEHMAN BROTHERS INC.

By: /s/ Nelson Soares

Nelson Soares
Managing Director

A.G. EDWARDS & SONS, INC.

By: /s/ John E. Meiners

John E. Meiners
Vice President

UBS SECURITIES LLC

By: /s/ Richard Messina

Richard Messina
Vice President

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EXHIBIT A

Sierra Pacific Power Company
Collateralized Medium-Term Notes, Series D
Purchase Agreement

_____, 19__

[Agent's Name]

Dear Sirs:

Sierra Pacific Power Company (the "Company") proposes, subject to the terms and conditions stated herein and in the Distribution Agreement, dated February 21, 1997 (the "Distribution Agreement"), between the Company on the one hand and Lehman Brothers Inc., A.G. Edwards & Sons, Inc. and UBS Securities LLC (the "Agents") on the other, to issue and sell to _____ the securities specified in the Schedule hereto (the "Purchased Securities"). Each of the provisions of the Distribution

Agreement not specifically related to the solicitation by the Agents, as agents of the Company, of offers to purchase Securities is incorporated herein by reference in its entirety, and shall be deemed to be part of this Purchase Agreement to the same extent as if such provisions had been set forth in full herein. Nothing contained herein or in the Distribution Agreement shall make any party hereto an agent of the Company or make such party subject to the provisions therein relating to the solicitation of offers to purchase securities from the Company, solely by virtue of its execution of this Purchase Agreement. Each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Purchase Agreement, except that each representation and warranty in Section 1 of the Distribution Agreement which makes reference to the Prospectus shall be deemed a representation and warranty relation to the Prospectus as amended and supplemented as of the date hereof to relate to the Purchased Securities.

An amendment to the Registration Statement, or a supplement to the Prospectus, as the case may be, relating to the Purchased Securities, in the form heretofore delivered to you is now proposed to be filed with the Commission.

Subject to the terms and conditions set forth herein and in the Distribution Agreement incorporated herein by reference, the Company agrees to issue and sell to [Agent(s)] and [Agent(s)] agree[s] to purchase from the Company the Purchased Securities, at the time and place, in the principal amount and at the purchase price set forth in the Schedule hereto.

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If the foregoing is in accordance with your understanding, please sign and return to us three counterparts hereof, and upon acceptance hereof by you this letter and such acceptance hereof, including those provisions of the Distribution Agreement incorporated herein by reference, shall constitute a binding agreement between you and the Company.

SIERRA PACIFIC POWER COMPANY

By: _____

Accepted in New York, New York
as of the date hereof:

[Agent]

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Title of Purchased Securities:

Collateralized Medium-Term Notes, Series D

Aggregate Principal Amount:

\$

[Price to Public:]

Purchase Price by: [Agents]

% of the principal amount of the Purchased Securities [, plus accrued interest from to] [and accrued amortization, if any, from to]

Method of and Specified Funds for Payment of Purchase Price:

[By certified or official bank check or checks, payable to the order to the Company, in [New York Clearing House] [immediately available] funds

[By wire transfer to a bank account specified by the Company in [next day] [immediately available] funds]

Date and Time of Delivery:

Closing Location:

[Specified Currency:]

Maturity:

Interest Rate:

%

Interest Payment Dates:

[months and dates]

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Documents to be Delivered:

The following documents referred to in the Distribution Agreement shall be delivered as a condition to the Closing:

- [(1) The opinion or opinions of counsel to the Agents referred to in Section 5(k).]
- [(2) The opinion of counsel to the Company referred to in Section 5 (e).]
- [(3) The opinion of counsel to the Company referred to in Section 5 (f).]
- [(4) The opinion of counsel to the Company referred to in Section 5 (g).]
- [(5) The officers' certificate referred to in Section 5 (h).]
- [(6) The accountants' letter referred to in Section 5 (i).]

Other provisions (including Syndicate Provisions, if applicable):

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EXHIBIT B

The Company agrees to pay each Agent a commission equal to the following percentages of the principal amount of Notes sold to purchase solicited by such Agent:

Term -----	Commission (as a percentage of principal amount) -----
From 9 months to less than one 1 year	.125%
From 1 year to less than 18 months	.150
From 18 months to less than 2 years	.200
From 2 years to less than 3 years	.250
From 3 years to less than 4 years	.350
From 4 years to less than 5 years	.450
From 5 years to less than 6 years	.500

From 6 years to less than 7 years	.550
From 7 years to less than 10 years	.600
From 10 years to less than 15 years	.625
From 15 years to less than 20 years	.675
20 years or more	.750

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EXHIBIT C

ADMINISTRATIVE PROCEDURES

The Collateralized Medium-Term Notes, Series D, due from nine months to 40 years from their issue date (the "Notes"), are to be offered on a continuing basis by Sierra Pacific Power Company (the "Issuer"). Lehman Brothers, Lehman Brothers, Inc., A.G. Edwards & Sons, Inc. and UBS Securities LLC, as agents, have each agreed to use reasonable efforts to solicit offers to purchase the Notes. No Agent will be obligated to purchase Notes for its own account. The Notes are being sold pursuant to a Distribution Agreement, dated February 21, 1997 (the "Agency Agreement"), among the Issuer and Agents, and will be issued pursuant to an Indenture, dated as of June 1, 1992, as supplemented (the "Indenture"), between the Issuer and Bankers Trust Company, as trustee (the "Trustee"). The Notes will be secured by one or more series of first mortgage bonds to be issued to and pledged by the Issuer with the Trustee and will have been registered under the Securities Act of 1933, as amended (the "Act"). For a description of the terms of the Notes and the offering and sale thereof, see the sections entitled "Description of Notes," "Supplemental Plan of Distribution" and "Glossary" in the Prospectus Supplement relating to the Notes, dated February 28, 1997, attached hereto and hereinafter referred to as the "Prospectus Supplement," and the sections entitled "Description of Debt Securities," "United States Taxation" and "Plan of Distribution" in the Prospectus relating to the Notes, dated December 20, 1996, attached hereto and hereinafter referred to as the "Prospectus." Defined terms used herein but not defined herein shall have the meanings assigned to them in the Distribution Agreement, the Prospectus or the Prospectus Supplement, as appropriate.

The Notes will be represented either by Global Notes delivered to The Depository Trust Company ("DTC") or its nominee and recorded in the

book-entry system maintained by DTC or such nominee ("Book-Entry Notes") or by certificates delivered to the Holders thereof or Persons designated by such Holders ("Certificated Notes"). Notes for which interest is calculated on the basis of a fixed interest rate are referred to herein as "Fixed Rate Notes." Notes for which interest is calculated at a rate or rates determined by reference to an interest rate formula are referred to herein as "Floating Rate Notes."

Notes which are issued at a price lower than the principal amount thereof and which provide that upon redemption or acceleration of the Maturity thereof an amount less than the principal thereof shall become due and payable are referred to herein as "Original Issue Discount Notes." For special provisions relating to original Issue Discount Notes and other Notes issued at a discount for tax purposes, see the section entitled "Certain United States Federal Income Tax Consequences -- Original Issue Discount" in the Prospectus.

The Notes will be denominated in U.S. dollars and payments of principal of and any premium and interest on the Notes will be made in U.S. dollars in the manner indicated in the Prospectus and the Prospectus Supplement.

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Notes which provide that amounts payable by the Issuer in respect of principal of or any premium or interest on the Notes shall be determined by reference to the value, rate or price of one or more specified indices, are referred to herein as "Indexed Notes." Specific information pertaining to the method for determining the principal amounts payable, a historical comparison of the value, rate or price of the specified index, indices and the face amount of the Indexed Note and certain additional tax considerations will be described in the applicable Pricing Supplement.

Administrative procedures and specific terms of the offering are explained below. Part I indicates procedures applicable to all Notes; Part II indicates specific procedures for Certificated Notes; and Part III indicates specific procedures for Book-Entry Notes. Administrative and record-keeping responsibilities will be handled for the Issuer by its Finance Division. The Issuer will advise the Agents in writing of those persons handling administrative responsibilities with whom the Agents are to communicate regarding offers to purchase Notes and the details of their delivery.

PART I: PROCEDURES APPLICABLE TO ALL NOTES

ISSUE DATE

Each Note will be dated the date of its authentication. Each Note will also bear an original issue date (the "Issue Date") which, with respect to any such Note (or portion thereof), shall mean the date of its original issuance and shall be specified therein. The Issue Date will remain the same for all Notes subsequently issued upon transfer, exchange or substitution of a Note, regardless of their dates of authentication.

PRICE TO PUBLIC

Except as otherwise specified in a Pricing Supplement, each Note will be issued at 100% of principal amount.

MATURITIES

Each Note will mature on a date, selected by the purchaser and agreed to by the Issuer, which will be at least nine months but not more than 40 years after its Issue Date.

INTEREST PAYMENTS

Interest on each interest-bearing Note will be calculated and paid in the manner described in such Note and in the Prospectus Supplement and the applicable Pricing Supplement. Unless otherwise set forth therein, interest on Fixed Rate Notes (including interest for partial periods) will be calculated on the basis of a 360-day year of twelve 30-day months and will not accrue on the 31st day of any month. Interest on Floating Rate Notes, except as otherwise set forth therein, will be calculated on the basis of actual days elapsed and a year of 360 days, except that

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in the case of a Floating Rate Note for which the Base Rate is the Treasury Rate, interest will be calculated on the basis of the actual number of days in the year.

On the fifth Business Day immediately preceding each Interest Payment Date, the Trustee will furnish the Issuer with the total amount of interest payments to be made on such Interest Payment Date. The Trustee will provide monthly, to the Issuer's Finance Division, a list of the principal and any premium and interest to be paid on Notes maturing in the next succeeding month. The Trustee will assume responsibility for withholding taxes on interest paid as required by law.

REDEMPTION/REPAYMENT

If indicated in the applicable Pricing Supplement, the Notes of a

particular tenor will be subject to redemption in whole or in part (subject to applicable minimum denominations), at the option of the Issuer on and after an initial redemption date as set forth in the applicable Pricing Supplement and in the applicable Note. The redemption price will be set forth in the applicable Pricing Supplement and in the applicable Note.

PROCEDURES FOR ESTABLISHING THE TERMS OF THE NOTES

The Issuer and the Agents will discuss from time to time the rates to be borne by the Notes that may be sold as a result of the solicitation of offers by the Agents. Once any Agent has recorded any indication of interest in Notes upon certain terms, and communicated with the Issuer, if the Issuer plans to accept an offer to purchase Notes upon such terms, it will prepare a Pricing Supplement to the Prospectus, as then amended or supplemented, reflecting the terms of such Notes and, after approval from the Agents, will arrange to have the Pricing Supplement filed electronically with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) under the Act. The Issuer will supply at least 10 copies of the Prospectus, as then amended or supplemented, and bearing such Pricing Supplement, to the Agent who presented the offer (the "Presenting Agent") and will provide one copy thereof to the Trustee by facsimile transmission. No settlements with respect to Notes upon such terms may occur prior to such transmitting or filing and the Agents will not, prior to such transmitting or filing, mail confirmations to customers who have offered to purchase Notes upon such terms. After such transmitting or filing, sales, mailing of confirmations and settlements may occur with respect to Notes upon such terms, subject to the provisions of "Delivery of Prospectus" below.

If the Issuer decides to post rates and a decision has been reached to change interest rates, the Issuer shall promptly notify each Agent. Each Agent will forthwith suspend solicitation of purchases. At that time, the Agents will recommend and the Issuer will establish rates to be so "posted." Following establishment of posted rates and prior to the transmitting or filing described in the preceding paragraph, the Agents may only record indications of interest in purchasing Notes at the posted rates. Once any Agent has recorded any indication of interest in Notes at the posted rates and communicated with the Issuer, if the Issuer plans to accept an offer at the posted rates, it will prepare a Pricing Supplement reflecting such posted rates, and after approval from

the Agents, arrange to have the Pricing Supplement filed electronically with the Commission and will supply at least 10 copies of the Prospectus, as then amended or supplemented, and bearing such Pricing Supplement, to the Presenting Agent. No settlements at the posted rates may occur prior to such

transmitting or filing and the agents will not, prior to such transmitting or filing, mail confirmations to customers who have offered to purchase Notes at the posted rates. After such transmitting or filing, sales, mailing of confirmations and settlements may resume, subject to the provisions of "Delivery of Prospectus, below.

Outdated Pricing Supplements, and copies of the Prospectus to which they are attached (other than those retained for files), will be destroyed.

SUSPENSION OF SOLICITATION; AMENDMENT OR SUPPLEMENT

As provided in the Distribution Agreement, the Issuer may instruct the Agents to suspend solicitation of offers to purchase at any time, and upon receipt of at least one Business Day's prior notice from the Issuer, the Agents will each forthwith suspend solicitation until such time as the Issuer has advised it that solicitation of offers to purchase may be resumed.

If the Agents receive the notice from the Issuer contemplated by the second paragraph of Section 2(b) or by 3(c) of the Distribution Agreement, they will promptly suspend solicitation and will only resume solicitation as provided in the Distribution Agreement. If the Issuer is required, pursuant to Section 3(c) of the Distribution Agreement, to prepare an amendment or supplement, it will promptly furnish each Agent with the proposed amendment or supplement; if the Issuer decides to amend or supplement the Registration Statement or the Prospectus relating to the Notes, it will promptly advise each Agent and will furnish each Agent with the proposed amendment or supplement in accordance with the terms of the Distribution Agreement. The Issuer will file such amendment or supplement with the Commission, provide the Agents and the Trustee with copies of any such amendment or supplement, confirm to the Agents that such amendment or supplement has been filed with the Commission and advise the Agents that solicitation may be resumed.

Any such suspension shall not affect the Issuer's obligations under the Distribution Agreement; and in the event that at the time the Issuer suspends solicitation of offers to purchase there shall be any offers already accepted by the Issuer outstanding for settlement, the Issuer will have the sole responsibility for fulfilling such obligations. The Issuer will in addition promptly advise the Agents and the Trustee if such offers are not to be settled and if copies of the Prospectus as in effect at the time of the suspension may not be delivered in connection with the settlement of such offers.

ACCEPTANCE AND REJECTION OF OFFERS

Each Agent will promptly advise the Issuer, at its option orally or in writing, of each reasonable offer to purchase Notes received by it, other than those rejected by such Agent. Each Agent may, in its discretion reasonably exercised, without notice to the Issuer, reject any offer received by it, in whole or in part. The Issuer will have the sole right to accept offers to purchase Notes and may reject any such offer, in whole or in part. If the Issuer accepts or rejects an offer, in whole or in part, the Issuer will promptly so notify the Presenting Agent.

CONFIRMATION

For each accepted offer, the Presenting Agent will issue a confirmation to the purchaser, with a separate confirmation to the Issuer's Finance Division, setting forth the Purchase Information (as defined under II below with respect to Certificated Notes and III below with respect to Book-Entry Notes) and delivery and payment instructions; PROVIDED, HOWEVER, that, in the case of the confirmation issued to the purchaser, no confirmation shall be delivered to the purchaser prior to the delivery of the Prospectus referred to below.

DETERMINATION OF SETTLEMENT DATE

The receipt of immediately available funds by the Issuer in payment for a Note and (i) in the case of Certificated Notes, the authentication and issuance of such Note and (ii) in the case of Book-Entry Notes, entry by the Presenting Agent of an SDFS (defined in III below) deliver order through DTC's Participant Terminal System to credit such Note to the account of a Participant purchasing, or acting for the purchaser of, such Note, shall, with respect to such Note, constitute "settlement." All offers accepted by the Issuer will be settled on the third Business Day next succeeding the date of acceptance in accordance with the "Details of Settlement" set forth below, unless otherwise agreed by the purchaser and the Issuer. The settlement date shall be specified upon receipt of an offer to purchase. Prior to 11:00 a.m., New York City time, on the settlement date, the Issuer will instruct the Trustee to authenticate and deliver the Notes no later than 2:15 p.m., New York City time, on that date.

DELIVERY OF PROSPECTUS

A copy of the Prospectus as most recently amended or supplemented on the date of delivery thereof (except as provided below) must be delivered to a purchaser prior to or together with the earlier of the delivery of (i) the written confirmation provided for above, and (ii) any Note purchased by such purchaser. (For this purpose, entry of an SDFS deliver order through DTC's Participant Terminal System to credit a Note to the account of a Participant purchasing, or acting for the purchaser of, a Note shall be deemed to constitute delivery of such Note.) Subject to the foregoing, it is anticipated that delivery of the Prospectus, confirmation and Notes to the purchaser will be made simultaneously at settlement. The Issuer shall ensure that the Presenting Agent receives copies of the Prospectus and each amendment or supplement thereto (including appropriate Pricing Supplements)

in such quantities and within such time limits as will

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enable the Presenting Agent to deliver such confirmation or Note to a purchaser as contemplated by these procedures and in compliance with the first sentence of this paragraph. If, since the date of acceptance of a purchaser's offer, the Prospectus shall have been supplemented solely to reflect any sale of Notes on terms different from those agreed to between the Issuer and such purchaser or a change in posted rates not applicable to such purchaser, such purchaser shall not receive the Prospectus as supplemented by such new supplement, but shall receive the Prospectus as supplemented to reflect the terms of the Notes being purchased by such purchaser and otherwise as most recently amended or supplemented on the date of delivery of the Prospectus.

AUTHENTICITY OF SIGNATURES

The Issuer will cause the Trustee to furnish the Agents from time to time with the specimen signatures of each of the Trustee's officers, employees or agents who have been authorized by the Trustee to authenticate Notes, but no Agent will have any obligation or liability to the Issuer or the Trustee in respect of the authenticity of the signature of any officer, employee or agent of the Issuer or the Trustee on any Note or the Global Note (as defined in Part III).

ADVERTISING EXPENSES

The Issuer will determine with the Agents the amount of advertising that may be appropriate in offering the Notes. Advertising expenses will be paid by the Issuer.

BUSINESS DAY; LONDON MARKET DAY

"Business Day" means any day which is not a Saturday or Sunday and is not a day on which banking institutions are generally authorized or obligated by law or executive order to close in The City of New York and, with respect to LIBOR notes, a London Market Day. "London Market Day" means any day on which dealings in deposits in U.S. Dollars are transacted in the London interbank market.

TRUSTEE NOT TO RISK FUNDS

Nothing herein shall be deemed to require the Trustee to risk or expend its own funds in connection with any payment made to the Issuer, the Agent, DTC or any Noteholder, it being understood by all parties that payments made

by the Trustee to the Issuer, the Agent, DTC or any holder of a Note shall be made only to the extent that funds are provided to the Trustee for such purpose.

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PART II: ADMINISTRATIVE PROCEDURES FOR CERTIFICATED NOTES

FORM AND DENOMINATIONS

The Certificated Notes shall be issued only in fully registered form in denominations of \$10,000 and integral multiples of \$1,000 in excess thereof.

TRANSFERS AND EXCHANGES

A Certificated Note may be presented for transfer or exchange at the principal corporate trust office of the Trustee in The City of New York. Certificated Notes will be exchangeable for other Certificated Notes of any authorized denominations and of like tenor and in a like aggregate principal amount, upon surrender of the Certificated Notes to be exchanged at the corporate trust office of the Trustee. Certificated Notes will not be exchangeable for Book-Entry Notes.

PAYMENT AT MATURITY

Upon presentation of each Certificated Note at Maturity, the Trustee (or a duly authorized Paying Agent) will pay the principal amount thereof, together with any premium and accrued interest due at Maturity. Such payment will be made in immediately available funds, PROVIDED, that the Certificated Note is presented in time for the Paying Agent to make payment in such funds in accordance with its normal procedures. The Issuer will provide the Trustee (and any Paying Agent) with funds available for immediate use for such purpose. Certificated Notes presented at Maturity will be canceled by the Trustee as provided in the Indenture.

DETAILS FOR SETTLEMENT

For each offer for Certificated Notes accepted by the Issuer, the Presenting Agent shall communicate to the Issuer's Finance Division prior to 1:00 p.m., New York City time, on the Business Day preceding the settlement date, by telephone, telex, facsimile transmission or other acceptable means, the following information (the "Purchase Information"):

1. Exact name in which the Note or Notes are to be registered ("registered owner").

2. Exact address of registered owner and, if different, the address for delivery, notices and payment of principal and any premium and interest.
3. Taxpayer identification number of registered owner.
4. Principal amount of each Note in authorized denominations to be delivered to registered owner.
5. In the case of Fixed Rate Notes, the interest rate of each Note; in the case of Floating Rate Notes, the interest rate formula, the Spread or Spread Multiplier (if

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any), the maximum or minimum interest rate limitation (if any), the Calculation Agent, the Calculation Dates, the Initial Interest Rate, the Interest Payment Dates, the Regular Record Dates, the Index Maturity, the Interest Determination Dates and the Interest Reset Dates, in each case, to the extent applicable with respect to each Note.

6. Stated Maturity of each Note.
7. Redemption and/or repayment provisions, if any, of each Note, including:
 - a. Initial Redemption Date;
 - b. Initial Redemption Price (% of par);
 - c. Amount (% of par) of decline and date;
 - d. Redemption Limitation Date.
8. Trade date of each Note.
9. Settlement date (Issue Date) of each Note.
10. Presenting Agent's commission (to be paid in the form of a discount from the proceeds remitted to the Issuer upon settlement).
11. Price.
12. Any additional applicable terms of each Note.

The Issue Date of, and the settlement date for, Certificated Notes will be the same. Before accepting any offer to purchase Certificated Notes to be settled in less than three Business Days, the Issuer shall verify that the Trustee will have adequate time to prepare and authenticate the Notes.

Immediately after receiving the details for each offer for Certificated Notes from the Presenting Agent, the Issuer will, after recording the details and any necessary calculations, communicate the Purchase Information by telephone, telex, facsimile transmission or other acceptable means, to the Trustee. Each such instruction given by the Issuer to the Trustee shall constitute a continuing representation and warranty by the Issuer to the Trustee and the Agents that (i) the issuance and delivery of such Notes have been duly and validly authorized by the issuer and (ii) such Notes, when completed, authenticated and delivered, shall constitute the valid and legally binding obligation of the Issuer. The Issuer will assign to and enter on each Note a transaction number.

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The Issuer will deliver to the Trustee a Certificated Note. The Trustee will complete such Certificated Note and will authenticate such Certificated Note and deliver it (with the confirmation) to such Agent, and such Agent will acknowledge receipt of the Note in writing delivered to the Trustee.

SETTLEMENT: NOTE DELIVERIES AND CASH PAYMENT

The Issuer will deliver to the Trustee at the commencement of the program and from time to time thereafter a supply of duly executed Certificated Notes with preprinted control numbers adequate to implement the program. Upon the receipt of appropriate documentation and instructions from the Issuer in accordance with the applicable Officers' Certificate and verification thereof, the Trustee will cause the Certificated Notes to be completed and authenticated and hold the Certificated Notes for delivery against payment.

The Trustee will deliver the Certificated Notes, in accordance with instructions from the Issuer, to the Presenting Agent, as the Issuer's agent, for the benefit of the purchaser only against receipt. The Presenting Agent will acknowledge receipt of the Notes through a broker's receipt. Delivery of the Certificated Notes by the Trustee will be made only against such acknowledgment of receipt from the Presenting Agent. Upon the Presenting Agent's determination that such Note has been authenticated, delivered and completed as aforesaid, the Presenting Agent will make, or cause to be made, payment to the Issuer at such account of the Issuer as it may specify in writing, in immediately available funds, of an amount equal to the principal amount of such Notes, less the applicable commission. If the Presenting Agent in any instance advances its own funds, the Issuer shall not use any of

the proceeds of such sale to acquire securities.

The Presenting Agent, as the Issuer's agent, will deliver the Notes (with the written confirmation provided for above) to the purchaser thereof against payment therefor by such purchaser in immediately available funds. Delivery of any confirmation or Note will be made in compliance with "Delivery of Prospectus" in Part I above.

FAILS

In the event that a purchaser shall fail to accept delivery of and make payment for a Certificated Note on the settlement date, the Presenting Agent will notify the Trustee and the Issuer, by telephone, confirmed in writing. If such Certificated Note has been delivered to the Presenting Agent, as the Issuer's agent, the Presenting Agent shall return such Note to the Trustee. If funds have been advanced for the purchase of such Note, the Trustee will, immediately upon receipt of such Note, debit the account of the Issuer for the amount so advanced and the Trustee shall refund the payment previously made by the Presenting Agent in immediately available funds. Such payments, will be made on the settlement date, if possible, and in any event not later than the Business Day following the settlement date. If the fail shall have occurred for any reason other than the failure of the Presenting Agent to provide the Purchase Information to the Issuer or to provide a confirmation to the purchaser, the Issuer will reimburse the Presenting

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Agent on an equitable basis for its loss of the use of funds during the period when the funds were credited to the account of the Issuer.

Immediately upon receipt of the Certificated Note in respect of which the fail occurred, the Trustee will make appropriate entries in its records to reflect the fact that the Note was never issued and the Note will be canceled and disposed of as provided in the Indenture.

PART III: ADMINISTRATIVE PROCEDURES FOR BOOK-ENTRY NOTES

In connection with the qualification of the Book-Entry Notes for eligibility in the book-entry system maintained by DTC, the Trustee will perform the custodial, document control and administrative functions described below, in accordance with its obligations under a Letter of Representations (the "Letter") from the Issuer and the Trustee to DTC dated as of March __, 1997 and a Medium-Term Note Certificate Agreement between the Trustee and DTC dated as of October 21, 1988 and its obligations as a participant in DTC, including DTC's Same-Day Funds Settlement System ("SDFS").

FORM, DENOMINATIONS AND REGISTRATION

All Book-Entry Notes of the same tenor and having the same Issue Date, will be represented initially by a single note (a "Global Note") in fully registered form without coupons. Book-Entry Notes will represent Notes denominated in U.S. dollars. Global Notes will be issued in denominations of \$10,000 and integral multiples of \$1,000 in excess thereof. Each Global Note will be registered in the name of Cede & Co., as nominee for DTC, on the Security Register maintained under the Indenture. The beneficial owner of a Book-Entry Note (or one or more indirect participants in DTC designated by such owner) will designate one or more participants in DTC (with respect to such Notes, the "Participants") to act as agent or agents for such owner in connection with the book-entry system maintained by DTC, and DTC will record in book-entry form, in accordance with instructions provided by such Participants, a credit balance with respect to such Note in the account of such Participants. The ownership interest of such beneficial owner in such Note will be recorded through the records of such Participants or through the separate records of such Participants and one or more indirect participants in DTC.

CUSIP NUMBERS

The Issuer has arranged with the CUSIP Service Bureau of Standard & Poor's Corporation (the "CUSIP Service Bureau") for the reservation of a series of CUSIP numbers (including tranche numbers), such series consisting of approximately 900 CUSIP numbers and relating to Global Notes representing Book-Entry Notes. The Issuer has obtained from the CUSIP Service Bureau a written list of such reserved CUSIP numbers and has delivered it to the Trustee and DTC. The Trustee will assign CUSIP numbers serially to Global Notes as described below under "Details for Settlement." DTC will notify the CUSIP Service Bureau periodically of the CUSIP numbers that the Trustee has assigned to Global Notes. The Trustee will notify the Issuer at the time when fewer than 100 of the reserved CUSIP numbers remain unassigned to the Global

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Notes; and the Issuer will reserve an additional 900 CUSIP numbers for assignment to Global Notes representing Book-Entry Notes. Upon obtaining such additional CUSIP numbers, the Issuer shall deliver a list of such additional CUSIP numbers to the Trustee and DTC.

TRANSFERS; AND EXCHANGES FOR THE PURPOSE OF CONSOLIDATION

Transfers of a Book-Entry Note will be accomplished by book entries made by DTC and, in turn, by Participants (and, in certain cases, one or more

indirect participants in DTC) acting on behalf of beneficial transferors and transferees of such Note.

The Trustee may upon notice to the Issuer deliver to DTC and the CUSIP Service Bureau at any time a written notice (a copy of which shall be attached to the Global Note resulting from such exchange) specifying (i) the CUSIP numbers of two or more outstanding Global Notes that represent Book-Entry Notes of the same tenor and having the same Issue Date, and for which interest (if any) has been paid to the same date, (ii) a date occurring at least 30 days after such written notice is delivered and at least 30 days before the next Interest Payment Date (if any) for such Notes, on which such Global Notes shall be exchanged for a single replacement Global Note and (iii) a new CUSIP number to be assigned to such replacement Global Note. Upon receipt of such a notice, DTC will send to its Participants (including the Trustee) a written reorganization notice to the effect that such exchange will occur on such date. Prior to the specified exchange date, the Trustee will deliver to the CUSIP Service Bureau a written notice setting forth such exchange date and the new CUSIP number and stating that, as of such exchange date, the CUSIP numbers of the Global Notes to be exchanged will no longer be valid. On the specified exchange date, the Trustee will exchange such Global Notes for a single Global Note bearing the new CUSIP number and the CUSIP numbers of the exchanged Global Notes will, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned.

NOTICE OF INTEREST PAYMENT DATES AND REGULAR RECORD DATES

To the extent then known, on the first Business Day of March, June, September and December of each year, the Trustee will deliver to the Issuer and DTC a written list of Record Dates and Interest Payment Dates that will occur with respect to Floating Rate Book-Entry Notes during the six-month period beginning on such first Business Day.

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PAYMENTS OF PRINCIPAL AND INTEREST

(a) PAYMENTS OF INTEREST ONLY. Promptly after each Regular Record Date, the Trustee will deliver to the Issuer and DTC a written notice specifying by CUSIP number the amount of interest to be paid on each Global Note on the following Interest Payment Date (other than an Interest Payment Date coinciding with Maturity) and the total of such amounts. The Issuer will confirm with the Trustee the amount payable on each Global Note on such Interest Payment Date. DTC will confirm the amount payable on each Global Note on such Interest Payment Date by reference to the daily or weekly bond reports published by Standard & Poor's Corporation. The Issuer will pay to the Trustee the total amount of interest due on such Interest Payment Date

(other than at Maturity), and the Trustee will pay such amount to DTC at times and in the manner set forth below under "Manner of Payment."

(b) PAYMENTS AT STATED MATURITY. On or about the first Business Day of each month, the Trustee will deliver to the Issuer and DTC a written list of principal and interest to be paid on each Global Note maturing in the following month. The Issuer, the Trustee and DTC will confirm the amounts of such principal and interest payments with respect to each such Global Note on or about the third Business Day preceding the Stated Maturity of such Global Note. The Issuer will pay to the Trustee, as the paying agent, the principal amount of such Global Note, together with interest due at such Stated Maturity. Upon surrender of a Global Note, the Trustee will pay such amounts to DTC at the times and in the manner set forth below under "Manner of Payment." If any Stated Maturity of a Global Note representing Book-Entry Notes is not a Business Day, the payment due on such day shall be made on the next succeeding Business Day and no interest shall accrue on such payment for the period from and after such Stated Maturity. Promptly after payment to DTC of the principal and any interest due at the Stated Maturity of such Global Note, the Trustee will cancel such Global Note in accordance with the terms of the Indenture.

(c) PAYMENT UPON REDEMPTION. The Trustee will comply with the terms of the Letter with regard to redemptions or repayments of the Book-Entry Notes. In the case of Book-Entry Notes stated by their terms to be redeemable prior to Stated Maturity, at least 60 calendar days before the date fixed for redemption (the "Redemption Date"), the Issuer shall notify the Trustee of the Issuer's election to redeem such Book-Entry Notes in whole or in part and the principal amount of such Book-Entry Notes to be so redeemed. At least 30 calendar days but not more than 60 calendar days prior to the Redemption Date, the Trustee shall notify DTC of the Issuer's election to redeem such Book-Entry Notes. The Trustee shall notify the Issuer and DTC of the CUSIP numbers of the particular Book-Entry Notes to be redeemed either in whole or in part. The Issuer, the Trustee and DTC will confirm the amounts of such principal and any premium and interest payable with respect to each such Book-Entry Note on or about the third Business Day preceding the Redemption Date of such Book-Entry Note. The Issuer will pay the Trustee, in accordance with the terms of the Indenture, the amount necessary to redeem each such Book-Entry Note or the applicable portion of each such Book-Entry Note. The Trustee will pay such amount to DTC at the times and in the manner set forth herein. Promptly after payment to DTC of the amount due on the Redemption Date for such Book-Entry Note, the Trustee shall cancel

any such Book-Entry Note redeemed in whole in accordance with the Indenture. If a Global Note is to be redeemed in part, the Trustee will cancel such

Global Note and issue a Global Note which shall represent the remaining portion of such Global Note and shall bear the CUSIP number of the canceled Global Note.

(d) MANNER OF PAYMENT. The total amount of any principal and interest due on Global Notes on any Interest Payment Date or at Maturity shall be paid by the Issuer to the Trustee in immediately available funds on such date. The Issuer will make such payment on such Global Notes by wire transfer to the Trustee. The Issuer will confirm instructions regarding payment in writing to the Trustee. Upon receipt of funds from the Issuer, on each date of Maturity of a Book-Entry Note or as soon as possible thereafter, the Trustee will pay by separate wire transfer (using Fedwire message entry instructions in a form previously specified by DTC) to an account at the Federal Reserve Bank of New York previously specified by DTC in funds available for immediate use by DTC, each payment of principal (together with interest thereon) due at Maturity on Book-Entry Notes. On each interest Payment Date, the interest payment shall be made to DTC in same day funds in accordance with existing arrangements between the Trustee and DTC. Thereafter, on each such date, DTC will pay, in accordance with its SDFS operating procedures then in effect, such amounts in funds available for immediate use to the respective Participants in whose names the Book-Entry Notes represented by such Global Notes are recorded in the book-entry system maintained by DTC. NEITHER THE ISSUER NOR THE TRUSTEE SHALL HAVE ANY DIRECT RESPONSIBILITY OR LIABILITY FOR THE PAYMENT BY DTC TO SUCH PARTICIPANTS OF THE PRINCIPAL OF AND ANY PREMIUM AND INTEREST ON THE BOOK-ENTRY NOTES.

(e) WITHHOLDING TAXES. The amount of any taxes required under applicable law to be withheld from any interest payment on a Book-Entry Note will be determined and withheld by the Participant, indirect participant in DTC or other person responsible for forwarding payments and material directly to the beneficial owner of such Note.

DETAILS FOR SETTLEMENT

For each offer for Book-Entry Notes accepted by the Issuer, the Presenting Agent shall communicate to the Issuer's Finance Division prior to 11:00 a.m., New York City time, on the first Business Day after the sale date (or on the sale date if such sale is to be settled within one Business Day), by telephone, telex, facsimile transmission or other acceptable means, the following information (the "Purchase Information"):

1. Exact name in which the Notes are to be registered ("registered owner").
2. Exact address of registered owner and, if different, the address for delivery, notices and payment of principal and any premium and interest.
3. Taxpayer identification number of registered owner.

4. Principal amount of the Notes.
5. Stated Maturity of the Notes.
6. In the case of Fixed Rate Notes, the interest rate of the Notes; in the case of Floating Rate Notes, the interest rate formula, the Spread or Spread Multiplier (if any), the maximum or minimum interest rate limitation (if any), the Calculation Agent, the Calculation Dates, the Initial Interest Rate, the Interest Payment Dates, the Regular Record Dates, the Index Maturity, the Interest Determination Dates and the Interest Reset Dates, in each case, to the extent applicable with respect to the Notes.
7. Redemption and/or repayment provisions, if any, of the Notes, including
 - a. Initial Redemption Date;
 - b. Initial Redemption Price (% of par);
 - c. Amount (% of par) of decline and date;
 - d. Redemption Limitation Date.
8. Trade date of the Notes.
9. Settlement date (Issue Date) of the Notes.
10. Presenting Agent's commission (to be paid in the form of a discount from the proceeds remitted to the issuer upon settlement).
11. Price.
12. Any additional applicable terms of the Notes.

The Issue Date of, and the settlement date for, Book-Entry Notes will be the same. Before accepting any offer to purchase Book-Entry Notes to be settled in less than three Business Days, the Issuer shall verify that the Trustee will have adequate time to prepare and authenticate the Global Notes.

If the initial interest rate for a Floating Rate Book-Entry Note has not been determined at the time that the foregoing procedure is completed, the procedures described in the following two paragraphs shall be completed as soon as such rate has been determined but no later than 12:00 Noon and 2:00 p.m., as the case may be, on the Business Day before the settlement date.

Immediately after receiving the details for each offer for Book-Entry Notes from the Presenting Agent and in any event no later than 12:00 Noon on the first Business Day after the sale date (or on the sale date if such sale is to be settled within one Business Day), the Issuer will, after recording the details and any necessary calculations, communicate the Purchase Information by telephone, telex, facsimile transmission or other acceptable means, to the Trustee. Each such instruction given by the Issuer to the Trustee shall constitute a continuing representation and warranty by the Issuer to the Trustee and the Agents that (i) the issuance and delivery of such Notes have been duly and validly authorized by the Issuer and (ii) such Notes, when completed, authenticated and delivered, shall constitute the valid and legally binding obligations of the Issuer.

Immediately after receiving the Purchase Information from the Issuer and in any event no later than 2:00 p.m. on the First Business Day after the sale date (or on the sale date if such sale is to be settled within one Business Day), the Trustee will assign a CUSIP number to the Global Note representing such Book-Entry Note and will telephone the Issuer and advise the Issuer of such CUSIP number and, as soon thereafter as practicable, the Issuer shall notify the Agent of such CUSIP number. The Trustee will enter a pending deposit message through DTC's Participant Terminal System, providing the following settlement information to DTC (which shall route such information to Standard & Poor's Corporation) and the relevant Agent:

1. The applicable Purchase Information.
2. Initial Interest Payment Date for each Book-Entry Note, number of days by which such date succeeds the Regular Record Date which shall be the Regular Record Date (as defined in the Note), and, if known, the amount of interest payable on such Interest Payment Date per \$1,000 principal amount of Book-Entry Notes.
3. Identification as either a Fixed Rate Note or a Floating Rate Note.
4. CUSIP number of the Global Note representing such Note.
5. Whether such Global Note will represent any other Book-Entry Note (to the extent known at such time).
6. Interest payment periods.
7. Numbers of the participant accounts maintained by DTC on behalf of the Trustee and the Agents.

Standard & Poor's Corporation will use the information received in the pending deposit message to include the amount of any interest payable and certain other information regarding the related Global Note in the appropriate daily or weekly bond report published by Standard & Poor's Corporation.

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SETTLEMENT; GLOBAL NOTE DELIVERY AND CASH PAYMENT

The Issuer will deliver to the Trustee at the commencement of the program and from time to time thereafter a supply of duly executed Global Notes with preprinted control numbers adequate to implement the program. Upon the receipt of appropriate documentation and instructions from the Issuer in accordance with the applicable Officers' Certificate and verification thereof, the Trustee will cause the Global Note to be completed and authenticated and hold the Global Note for delivery against payment.

Prior to 10:00 a.m. on the Settlement Date, DTC will credit such Note to the Trustee's participant account at DTC. At or prior to 2:00 p.m. on the Settlement Date, the Trustee will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC to (i) debit such Note to the Trustee's participant account and credit such Note to the Presenting Agent's participant account and (ii) debit the Presenting Agent's settlement account and credit the Trustee's settlement account for an amount equal to the price of such Note less such Agent's commission (in accordance with SDFS operating procedures in effect on the Settlement Date). The entry of such a deliver order shall constitute a representation and warranty by the Trustee to DTC that (i) the Global Note representing such Note has been executed, delivered and authenticated and (ii) the Trustee is holding such Global Note pursuant to the Medium Term Note Certificate Agreement between the Trustee and DTC.

Simultaneously with the giving of such instructions by the Trustee, the Presenting Agent will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Note to such Agent's participant account and credit such Note to the Participant accounts of the Participants with respect to such Note and (ii) to debit the settlement accounts of such Participants and credit the settlement account of such Agent for an amount equal to the price of such Note (in accordance with SDFS operating procedures in effect on the settlement date).

Transfers of funds are subject to extension in accordance with any extension of Fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the settlement date.

The Trustee, upon confirming receipt of such funds, will wire transfer the amount transferred to the Trustee, in funds available for immediate use, for the account of Sierra Pacific Power Company, to account no. 470017880 at Bank of America, Reno, Nevada (ABA No. 122400724).

FAILS

If settlement of a Book-Entry Note is rescheduled or canceled, the Issuer shall notify the Trustee, and upon receipt of such notice, the Trustee will deliver to DTC, through DTC's Participant Terminal System, a cancellation message to such effect by no later than 2:00 p.m., New York City time, on the Business Day immediately preceding the scheduled settlement date.

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If the Trustee has not entered an SDFS deliver order with respect to a Book-Entry Note, then upon written request (which may be evidenced by telecopy transmission) of the Issuer, the Trustee shall deliver to DTC, through DTC's Participant Terminal System, as soon as practicable, but no later than 2:00 p.m. on any Business Day, a withdrawal message instructing DTC to debit such Note to the Trustee's participant account. DTC will process the withdrawal message, provided that the Trustee's participant account contains a principal amount of the Global Note representing such Note that is at least equal to the principal amount to be debited. If withdrawal messages are processed with respect to all the Book-Entry Notes represented by a Global Note, the Trustee will mark such Global Note "canceled" in accordance with the Indenture, and make appropriate entries in the Trustee's records. The CUSIP number assigned to such Global Note shall, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned. If withdrawal messages are processed with respect to one or more, but not all, of the Book-Entry Notes represented by a Global Note, the Trustee will exchange such Global Note for two Global Notes, one of which shall represent such Book-Entry Note or Notes and shall be canceled immediately after issuance and the other of which shall represent the remaining Book-Entry Notes previously represented by the surrendered Global Note and shall bear the CUSIP number of the surrendered Global Note.

If the purchase price for any Book-Entry Note is not timely paid to the Participants with respect to such Note by the beneficial purchaser thereof (or a person, including an indirect participant in DTC, acting on behalf of such purchaser), such participants and, in turn, the Presenting Agent may enter an SDFS deliver order through DTC's Participant Terminal System debiting such Note to such Agent's participant account and crediting such Note free to the participant account of the Trustee and shall notify the Trustee and the issuer thereof. Thereafter, the Trustee (i) will immediately notify the Issuer, once the Trustee has confirmed that such Note has been

credited to its participant account, and the Issuer shall immediately transfer by Fedwire (in immediately available funds) to the Presenting Agent an amount equal to the price of such Note which was previously sent by wire transfer to the account of the Issuer and (ii) the Trustee will deliver the withdrawal message and take the related actions described in the preceding paragraph. Such debits and credits will be made on the Settlement Date, if possible, and in any event no later than 5:00 p.m. on the following Business Day. If the fail shall have occurred for any reason other than failure of the Presenting Agent to provide the Purchase Information to the Issuer or to provide a confirmation to the purchaser, the Issuer will reimburse the Presenting Agent on an equitable basis for its loss of the use of funds during the period when the funds were credited to the account of the Issuer.

Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Note, DTC may take any actions in accordance with its SDFS operating procedures then in effect. In the event of a failure to settle with respect to one or more, but not all, of the Book-Entry Notes to have been represented by a Global Note, the Trustee will provide for the authentication and issuance of a Global Note representing the other Book-Entry Notes to have been represented by such Global Note and will make appropriate entries in its records.

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EXHIBIT D

[LETTERHEAD OF CHOATE, HALL & STEWART]

February 21, 1997

Lehman Brothers Inc.
3 World Financial Center
New York, NY 10285

A.G. Edwards & Sons, Inc.
One North Jefferson Avenue
St. Louis, MO 63103

UBS Securities LLC
299 Park Avenue
New York, NY 10171

Bankers Trust Company
4 Albany Street
4th Floor
New York, NY 10006

Re: Sierra Pacific Power Company (the "Company")
\$35,000,000 of Collateralized Medium-Term Notes, Series D

Gentlemen:

This opinion is delivered to you pursuant to Section 5(e) of the Distribution Agreement dated as of February 21, 1997 (the "Distribution Agreement") between each of you and the Company relating to the issuance and sale from time to time of Collateralized Medium-Term Notes, Series D, in an initial aggregate principal amount of \$35,000,000 (the "Notes"). The Notes are to be issued pursuant to a Collateral Trust Indenture dated as of June 1, 1992 (the "Indenture") between the Company and Bankers Trust Company, as Trustee (the "Indenture Trustee"), as supplemented by a Fourth Supplemental Indenture dated as of February 1, 1997 between the Company and the Indenture Trustee (the "Fourth Supplemental Indenture") and to be secured by the Company's first mortgage bonds to be issued pursuant to an Indenture of Mortgage dated as of December 1, 1940, from the Company's predecessor to The New England Trust Company and Leo W. Huegle (State

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February 21, 1997

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Street Bank and Trust Company and Gerald R. Wheeler, respectively, by succession), as Trustees, as heretofore supplemented and modified and assumed by the Company (collectively, the "Mortgage Indenture"). This opinion is being delivered on the Commencement Date referred to in the Distribution Agreement (the "Commencement Date").

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Distribution Agreement.

In connection with rendering this opinion, we have examined such corporate records, certificates and other documents as we have considered necessary for the purposes of this opinion, including:

(a) A certificate of recent date of the Secretary of State of Nevada as to the corporate existence and good standing of the Company as a Nevada corporation; and a certificate of recent date of the Secretary of State of California as to the qualification and good standing of the Company as a foreign corporation in that State;

(b) The Restated Articles of Incorporation of the Company, and all amendments thereto;

(c) The By-Laws of the Company as now in effect;

(d) Resolutions adopted by the Board of Directors of the Company on November 13, 1996, relating to the issuance and sale of the Notes and matters related thereto;

(e) The Indenture, the Fourth Supplemental Indenture and the proposed form of fixed-rate note to be issued under the Fourth Supplemental Indenture;

(f) The Mortgage Indenture, including the Thirty-fifth Supplemental Indenture thereto dated as of February 1, 1997 (the "Thirty-fifth Supplemental Indenture");

(g) The applications of the Company to the PSCN and the CPUC with respect to the issuance and sale of the Notes and related matters, and the order of the PSCN thereon dated October 19, 1995 and the opinion of the CPUC thereon dated August 11, 1995;

(h) The Registration Statement and all exhibits thereto, as filed with the Commission on November 27, 1996, and as amended by a Pre-Effective Amendment No. 1 filed with the Commission on December 18, 1996, and declared effective by the Commission on December 20, 1996;

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(i) The documents incorporated by reference in the Prospectus (the "Incorporated Documents");

(j) The First Mortgage Bond of the NN Series issued under the Mortgage Indenture in connection with the Notes (the "Bond");

(k) Such other documents as are to be delivered on the Commencement Date, including certificates of officers of the Company.

In such examination, we have assumed the genuineness of all signatures other than the signatures of the Company, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the authenticity of the originals of such latter documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the

aforesaid records, certificates and documents.

Although we have examined the Restated Articles of Incorporation, as amended, of the Company, we have ourselves made no independent examination as to the organization, existence or standing of the Company, its authority to do business in California, its titles to properties, the lien of the Mortgage Indenture, the recording of the Mortgage Indenture and the Thirty-fifth Supplemental Indenture and matters of Nevada and California law affecting the enforceability of the obligations of the Company in respect of the Notes, the Indenture, the Fourth Supplemental Indenture, the Mortgage Indenture, the Thirty-fifth Supplemental Indenture and the Mortgage Bonds, or the jurisdiction and approvals of State regulatory commissions or requirements of the laws of Nevada or California with respect to action by or documents required to be filed with State officials. We have, therefore, in connection with the opinions set forth below, relied with your consent as to all matters governed by the laws of the State of Nevada, upon a letter of even date herewith addressed to you by Woodburn and Wedge, and as to all matters governed by the laws of the State of California, upon a letter of even date herewith addressed to you by Graham & James LLP, and, as to such matters, our opinions are subject to all of the qualifications and assumptions set forth in such letters. We refer you to said letters for the matters covered thereby and believe that you and we are entitled to rely thereon.

We are not passing in any way upon any computations or financial statements, including the notes or schedules thereto, or upon any other financial or accounting information set forth or referred to in the Registration Statement or the Incorporated Documents, and have not reviewed the financial records or books of account of the Company.

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February 21, 1997

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Prior to November 27, 1996, we participated in conferences with officers and other representatives of the Company and its accountants in which the affairs of the Company and the contents of the Registration Statement and Incorporated Documents were discussed at length. Subsequent to November 27, 1996, we made inquiries of certain officers of the Company and representatives of its auditors as to whether there had been any material change in the affairs of the Company since that date and we examined, among other documents, those to be delivered on the Commencement Date. However, there is no assurance that all possible material facts as to the Company were disclosed at such conferences, in response to our inquiries, or in such documents, and we have to a large extent relied upon the statements of officers and other representatives of the Company as to the materiality of those facts disclosed to us. Except with respect to the descriptions specifically referred to in paragraphs (d) and (j), we are not passing upon and do not assume any responsibility for the accuracy or completeness of the

statements contained in the Registration Statement or the Incorporated Documents.

Based on the foregoing and, to the extent indicated above on said opinions of other counsel for the Company, we are of the opinion that:

(a) The Company is a corporation duly organized and existing in good standing under the laws of the State of Nevada, with corporate power and authority to own its properties and conduct its business as described in the Registration Statement; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which it owns or leases substantial properties;

(b) The Indenture and the Fourth Supplemental Indenture have been duly authorized, executed and delivered by the Company and are duly qualified under the Trust Indenture Act and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(c) The creation, issuance and sale of the Notes have been duly authorized by the Company in conformity with the Indenture, and, when the terms of a particular Debt Security and of its issuance and sale have been duly authorized and established by all necessary corporate action in conformity with the Indenture, and such Debt Security has been duly completed, executed, authenticated and issued in accordance with the Indenture and delivered against payment as contemplated by the Distribution Agreement, such Debt Security will be entitled to the benefits of the Indenture and will constitute a valid and legally binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer,

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and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, it being assumed that (i) at the time of the issuance, sale and delivery of each Debt Security the authorization of such series will not have been modified or rescinded and there will not have occurred any change in law affecting the validity, legally binding character or enforceability of such Debt Security, and (ii) for purposes of this subparagraph (c), neither the issuance, sale and delivery of any Debt Security, nor any of the terms

of such Debt Security, nor compliance by the Company with such terms, will violate any applicable law, any agreement or instrument then binding upon the Company or any restriction imposed by any court or governmental body having jurisdiction over the Company, in each case effected after the date hereof;

(d) The Registration Statement has become effective under the Act, the Prospectus has been or will be transmitted by a means reasonably calculated to result in filing with the Commission in conformity with the provisions of Rule 424(b)(5) under the Act and no stop order suspending the effectiveness of the registration statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or, to the best of our knowledge are pending or contemplated under the Act; and the registration statement relating to the Registered Securities, as of its effective date, and the Registration Statement and the Prospectus, as of the Commencement Date, complied and complies as to form in all material respects with the requirements of the Act, the Exchange Act, the Trust Indenture Act and the rules and regulations under such Acts; we have no reason to believe that such Registration Statement, as of its effective date, or the Registration Statement, as of the Commencement Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of the Commencement Date, contains or contained any untrue statement of a material fact or omits or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the descriptions and statements in the Prospectus and reviewed by us and made on our authority as stated under the caption "Experts" are accurate and fairly present the information required to be shown; and we do not know of any legal or governmental proceedings required to be described in the Registration Statement which are not described as required or of any contracts or documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required; provided, however, that we do not express any belief as to any information contained in the Registration Statement, the Prospectus or the Incorporated Documents which is specified therein to have been obtained from The Depository Trust Company, or as to any

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statements contained in the Statements of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee filed as an exhibit to the

Registration Statement;

(e) The Mortgage Indenture has been duly authorized, executed and delivered by the Company and has been qualified under the Trust Indenture Act. The Thirty-fifth Supplemental Indenture has been duly authorized, executed and delivered by the Company. Each of the Mortgage Indenture and the Thirty-fifth Supplemental Indenture is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights and general equity principles;

(f) Upon the deposit of the Mortgage Bonds with the Trustee as the basis for the issuance of the Notes, to the extent that such Mortgage Bonds shall have been designated as Designated Mortgage Bonds, the Mortgage Bonds shall be duly pledged to the Trustee, and the Indenture will, upon payment for the Notes issued upon the basis of the Designated Mortgage Bonds so deposited, constitute a valid first lien thereupon; no registration, recording or filing of the Indenture (or notices or financing statements in respect thereof) is required by law to make effective and to maintain the lien on the Designated Mortgage Bonds so deposited intended to be created by the Indenture;

(g) The Mortgage Bonds to be deposited with the Trustee and the Designated Mortgage Bonds to be pledged with the Trustee as the basis for the issuance of the Notes, have been duly authorized and, upon the deposit and pledge thereof in the manner contemplated by the Indenture, will be validly issued in conformity with the Mortgage Indenture, and constitute legal, valid and binding obligations of the Company, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights and general equity principles and will be entitled to the security afforded by the Mortgage Indenture equally and ratably with the securities outstanding thereunder;

(h) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Distribution Agreement in connection with the issuance and sale of the Notes by the Company, except with the Commission and except such as may be required under state securities laws (we assume, with your permission, that with respect to each particular Debt Security, inclusion of any alternative or additional terms in such Debt Security that are not currently specified in the forms of Notes examined by us would not require the Company to obtain any regulatory consent, authorization or

approval or make any regulatory filing in order for the Company to issue, sell and deliver such Security), and except for filings with and the orders from the PSCN and the CPUC authorizing the issuance and sale by the Company of the Notes, subject to certain conditions set forth therein, which orders have been obtained and are in full effect;

(i) The execution, delivery and performance of the Indenture, the Fourth Supplemental Indenture, the Thirty-fifth Supplemental Indenture and the Distribution Agreement, the issuance of the Mortgage Bonds, the pledge of the Designated Mortgage Bonds and the issuance and sale of the Notes, and compliance with the terms, conditions and provisions thereof, will not result in a breach or violation of any of the terms, conditions and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any subsidiary of the Company or any of their properties or any agreement or instrument known to us to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or the charter or by-laws of the Company or any such subsidiary. The Company has full power and authority to authorize, issue and sell the Notes as contemplated by the Distribution Agreement (it being understood that we have assumed with respect to each particular Debt Security that the inclusion of any alternative or additional terms in such Debt Security that are not currently specified in the form of Notes examined by us will not cause the issuance, sale or delivery of such Debt Security, the terms of such Debt Security, or the compliance by the Company with such terms, to violate any of the orders or laws specified in this paragraph or to result in a default under or breach of any of the agreements specified in this paragraph);

(j) The forms of the Notes and the Mortgage Bonds conform as to legal matters in all material respects with the statements concerning them in the Registration Statement and Prospectus;

(k) The Distribution Agreement has been duly authorized, executed and delivered by the Company; and

(l) The Company is not a holding company or a subsidiary of a registered holding company within the meaning of the Public Utility Holding Company Act of 1935.

This opinion is rendered to you solely in connection with the consummation of the transactions contemplated by the Distribution Agreement and, without our express written consent, may not be relied upon by you for any

February 21, 1997
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other purpose or by any other person for any purpose whatsoever. This opinion is given as of the date hereof and imposes no obligation upon us to update this opinion. We specifically disclaim any undertaking or obligation to advise the addressees hereof or any other party expressly permitted hereby to rely upon this opinion of any facts or circumstances that may hereafter be brought to out attention or any change in any laws that may hereafter occur which may alter or affect the opinions expressed herein.

Very truly yours,

CHOATE, HALL & STEWART

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EXHIBIT E

[LETTERHEAD OF WOODBURN AND WEDGE]

February 21, 1997

Lehman Brothers Inc.
3 World Financial Center
New York, NY 10285

A.G. Edwards & Sons, Inc.
One North Jefferson Avenue
St. Louis, MO 63103

UBS Securities LLC
299 Park Avenue
New York, NY 10171

Bankers Trust Company
4 Albany Street
4th Floor
New York, NY 10006

Re: Sierra Pacific Power Company
\$35,000,000 of Collateralized Medium-Term Notes, Series D

Ladies and Gentlemen:

As special Nevada counsel for Sierra Pacific Power Company (the "Company"), we are furnishing this opinion to you pursuant to Section 5(f) of the Distribution Agreement dated February 21, 1997 (the "Distribution Agreement") between the Company and each of Lehman Brothers, Inc., A.G. Edwards & Sons, Inc. and UBS Securities LLC as Agents in connection with the issuance of Collateralized Medium Term Notes, Series D, in an initial aggregate principal amount of \$35,000,000 (the "Notes"), to be issued from time to time by the Company and secured by \$35,000,000 of First Mortgage Bonds, 9%, Series NN due 2037 to be issued by the Company. All capitalized terms used herein without definition and defined in the Distribution Agreement are used herein as therein defined.

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Lehman Brothers Inc.
A.G. Edwards & Sons, Inc.
UBS Securities LLC
Bankers Trust Company
February 21, 1997
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In connection with rendering this opinion, we have examined the following documents:

- (a) A Certificate of Corporate Existence issued by the Secretary of State of Nevada;
- (b) The Restated Articles of Incorporation of the Company and all amendments thereto (the "Charter");
- (c) The By-laws of the Company as now in effect;
- (d) Resolutions adopted by the Board of Directors of the Company on November 13, 1996, relating to the issuance and sale of the notes and matters related thereto;
- (e) The Indenture, including the Fourth Supplemental Indenture and the proposed form of fixed-rate note to be issued under the Fourth Supplemental Indenture;
- (f) The Mortgage Indenture, including the Thirty-fifth Supplemental Indenture thereto dated as of February 1, 1997 (the "Thirty-fifth Supplemental Indenture");
- (g) Fully executed counterparts or copies of the order of the Public

(h) The Mortgage Bonds;

(i) The Distribution Agreement;

(j) The Registration Statement of the Company on Form S-3 as filed with the Securities and Exchange Commission (File No. 333-17041) under the Securities Act of 1933, as amended, including the Prospectus relating to the Notes dated December 20, 1996 (the "Prospectus"); and

(k) Such other records, instruments and agreements as we have deemed appropriate for the purposes of this opinion.

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We have also examined evidence satisfactory to us relating to the recordation and filing of the Indenture of Mortgage dated as of December 1, 1940, between the Company and The New England Trust Company (State Street Bank and Trust Company, as successor trustee) and Leo W. Huegle (Gerald R. Wheeler, as successor trustee), as trustees (the "1940 Indenture of Mortgage") and the First through the Thirty-fourth supplements thereto.

In our examination, we have assumed the genuineness and authenticity of all signatures other than the signatures of the Company; the accuracy and authenticity of all records, instruments and agreements submitted to us as originals; the conformity to the original documents of all documents submitted to us as copies; the authenticity of the originals of such copies; the accuracy, completeness and authenticity of all certificates of public officials and others as of the date hereof; and the due execution and delivery pursuant to due authorization thereof by, and the validity and binding effect thereof on, each party thereto other than the Company. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon certificates of the Company or its officers or of public officials.

We have not examined the Notes or the Mortgage Bonds, except specimens thereof, and we have assumed with respect to each particular Note and Mortgage Bond that the inclusion of any alternative or additional terms in such Note or Mortgage Bond that are not currently specified in the form of Note or Mortgage Bond examined by us will not cause the issuance or sale of such Note, the issuance and delivery of such Mortgage Bond, the terms of such Note or Mortgage Bond, or the compliance by the Company with such terms, to

breach or violate any of the terms of the Order.

As used in this opinion, the expression "to the best of our knowledge" with reference to matters of fact means that, after an examination of the documents made available to us by the Company and after inquiries of officers, managers or employees of the Company, we find no reason to believe that the opinions expressed herein are factually inaccurate; but beyond that, we have not made an independent factual investigation for the purpose of rendering this opinion.

We have made such examination of law as in our judgment is necessary or appropriate for purposes of this opinion. We do not, however, purport to be qualified to pass upon, and express no opinion as to, federal law or the laws of any jurisdiction other than the laws of the

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State of Nevada (excluding therefrom principles of conflicts of laws, securities or blue sky laws, and laws of political subdivisions of such State).

Based upon and subject to the foregoing, we are of the opinion that:

(A) The Company is a corporation duly organized and existing and in good standing under the laws of the State of Nevada, duly qualified to hold property and to transact an electric, gas and water public utility business in the State of Nevada, and with powers adequate for the execution and delivery of Distribution Agreement, the Indenture, the Notes, the Fourth Supplemental Indenture, the Mortgage Bonds and the Thirty-fifth Supplemental Indenture;

(B) The Mortgage Indenture, and all supplements thereto (including the Thirty-fifth Supplemental Indenture), has been duly authorized, executed and delivered on behalf of the Company and (assuming the due authorization, execution and delivery on behalf of the other parties thereto) is enforceable in accordance with its terms under the laws of Nevada except that the enforcement of the rights and remedies created thereby is subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application affecting the rights and remedies of creditors and that the availability of the remedy of specific performance or of injunctive relief is subject to the discretion of the court before which any proceedings therefor may be brought and except that the provisions of the Mortgage Indenture subjecting to the lien thereof after-acquired property of the Company may not be effective in some cases

prior to the execution, delivery and recording of a supplemental indenture specifically subjecting such after-acquired property to the lien of the Mortgage Indenture.

Without limiting the generality of the foregoing qualifications, we call your attention to certain laws of the State of Nevada of general application affecting the rights and remedies of creditors, including without limitation the prohibition against unilateral right of entry in the event of default of the debtor, limitations on the form of action necessary to enforce a debt secured by real property, anti-deficiency judgment laws, the rights of debtors and junior lien holders to redemption following judicial foreclosure, and the effect of court cases that have held that certain provisions of agreements are unenforceable where enforcement would violate the creditor's implied covenant of good faith and fair dealing or where it cannot be demonstrated that enforcement is reasonably

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necessary for the protection of the security. In addition, we call your attention to the fact that any purchaser at foreclosure sale or any other party other than the Company would probably have to qualify as a public utility under the laws of the State of Nevada and/or qualify as an assignee of the Company under its governmental franchises, permits and licenses in order to own or operate the properties of the Company as a public utility.

(C) The Mortgage Bonds to be deposited with the Trustee and the Designated Mortgage Bonds pledged with the Trustee as the basis for the issuance of the Notes, have been duly authorized and executed by the Company and, upon the deposit and pledge thereof in the manner contemplated by the Indenture, will constitute legal, valid and binding obligations of the Company, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy, insolvency, reorganization, moratorium and similar laws of general application affecting the rights and remedies of creditors and to general principles of equity including the availability of the remedy of specific performance or of injunctive relief and will be entitled to the security afforded by the Mortgage Indenture equally and ratably with the securities outstanding thereunder.

(D) The creation, issuance and sale of the Notes have been duly authorized by the Company; and the Indenture and Fourth Supplemental Indenture have been duly authorized, executed and delivered on behalf of

the Company.

(E) The Indenture, the Notes, the Fourth Supplemental Indenture, the Mortgage Bonds and the Thirty-fifth Supplemental Indenture will not result in a breach or violation of any of the terms, conditions and provisions of, or constitute a default under, (i) the Charter or the By-laws of the Company; (ii) any statute, rule or regulation of the State of Nevada; or (iii) any order of any court or governmental agency of the State of Nevada having jurisdiction over the Company or any of its properties, which order is material to the Company taken as a whole.

(F) The Order remains in full force and effect in the form issued and no other authorization, approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body of the State of Nevada is required for the due execution, delivery and performance by the Company of the Indenture, the Notes,

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the Fourth Supplemental Indenture, the Mortgage Bonds or the Thirty-fifth Supplemental Indenture, except in accordance with the terms of its authorizing orders.

(G) To the best of our knowledge and except as set forth in the Prospectus, there is no pending or threatened action or proceeding before any court, governmental agency or arbitrator against, directly involving or affecting the Company or any of its subsidiaries which, in any case, may materially and adversely affect the ability of the Company to perform its obligations under the Indenture, the Notes, the Fourth Supplemental Indenture, the Mortgage Bonds or the Thirty-fifth Supplemental Indenture.

(H) The Mortgage Indenture and all supplements thereto (including the Thirty-fifth Supplemental Indenture) (or appropriate financing statements) have been duly recorded or filed in all places in the State of Nevada where such recording or filing is necessary to perfect the lien of the Mortgage Indenture as a lien on and security interest in both real and personal property of the Company subjected thereto. Notwithstanding the foregoing, (i) we express no opinion regarding the lien of the Mortgage Indenture as against franchises, permits and other personal property, which, under Nevada law, may not be made subject to a personal property lien, and (ii) we express no opinion as to the perfection of the security interest in any Personal Property in which, under the provisions of the Nevada Uniform Commercial Code, a security interest cannot be perfected by filing a financing statement.

(I) No taxes (as distinguished from filing and recordation fees) are payable to the State of Nevada or any subdivision or agency thereof in connection with the execution and delivery of the Notes, the Mortgage Bonds or the Thirty-fifth Supplemental Indenture.

This letter is intended for your information only as to the parties to whom it is addressed in connection with the transactions described herein and for Choate, Hall & Stewart, counsel for the Company, and Ropes & Gray, counsel for the Agents, and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written permission.

Very truly yours,

WOODBURN AND WEDGE

By

GORDON H. DePAOLI

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EXHIBIT F

[LETTERHEAD OF GRAHAM AND JAMES LLP]

February 21, 1997

Lehman Brothers Inc.
3 World Financial Center
New York, NY 10285

A.G. Edwards & Sons, Inc.
One North Jefferson Avenue
St. Louis, MO 63103

UBS Securities LLC
299 Park Avenue
New York, NY 10171

Bankers Trust Company
4 Albany Street
4th Floor
New York, NY 10006

Re: Collateralized Medium-Term Notes, Series D, in an Initial Aggregate
Principal Amount of \$35,000,000

Ladies and Gentlemen:

As special California counsel for Sierra Pacific Power Company (the "Company"), we are furnishing this opinion to you pursuant to Section 5(g) of the Distribution Agreement dated February 21, 1997 (the "Distribution Agreement") between the Company and each of Lehman Brothers, Inc., A.G. Edwards & Sons, Inc., and UBS Securities LLC as agents (each, an "Agent" and, collectively, the "Agents") in connection with the proposed issuance and sale from time to time of Collateralized Medium-Term Notes, Series D (the "Notes"). The Notes are to be issued pursuant to a Collateral Trust Indenture dated as of June 1, 1992 between the Company and Bankers Trust Company, as Trustee (the "Indenture Trustee"), as supplemented by the First Supplemental Indenture dated

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as of June 1, 1992, the Second Supplemental Indenture, dated as of October 1, 1993, the Third Supplemental Indenture, dated as of February 1, 1996, and the Fourth Supplemental Indenture, dated as of February 1, 1997 (as so supplemented, the "Indenture"), and are to be secured by the Company's first mortgage bonds (the "First Mortgage Bonds") to be issued pursuant to an Indenture of Mortgage dated as of December 1, 1940 from the Company's predecessor to The New England Trust Company and Leo W. Huegle (State Street Bank and Trust Company and Gerald R. Wheeler, respectively, by succession), as Trustees, as heretofore supplemented and modified and as to be further supplemented by a Thirty-fifth Supplemental Indenture dated as of February 1, 1997 (the "Supplemental First Mortgage Indenture" and such Indenture of Mortgage, as so supplemented and modified, the "First Mortgage Indenture"). As counsel for the Company, we advise you as follows:

We have examined the restated Articles of Organization of the Company and all amendments thereto (the "Charter"), the Bylaws of the Company as now in effect, resolutions of the Board of Directors of the Company, the final form of each of the First Mortgage Bonds, the First Mortgage Indenture, the Supplemental First Mortgage Indenture, the Indenture, the Distribution Agreement, the Decision and Order issued by the California Public Utilities Commission (the

"CPUC") on August 11, 1995 (Decision ("D.") 95-08-045), Officer's Certificates duly executed by an officer of the Company, and such other records, instruments and agreements as we have deemed appropriate for purposes of this opinion.

In issuing the opinions expressed herein, we have also assumed (1) that the total aggregate principal amount of issuances of debt securities and guaranties, including the Debt Securities, to be issued by the Company pursuant to the authority granted to it by Decision No. 95-08-045 of the Public Utilities Commission of the State of California (the "CPUC") will not exceed One Hundred Fifteen Million Dollars (\$115,000,000), and (2) that the Debt Securities are being issued pursuant to the authority granted to the Company under CPUC Decision No. 95-08-045.

In our examination of the records, instruments and agreements referred to above, we have assumed the genuineness and authenticity of all signatures; the accuracy and authenticity of all records, instruments, and agreements submitted to us as originals; the conformity to originals of all documents submitted to us as copies; the authenticity of the originals of such copies; the accuracy, completeness, and authenticity of certificates of public officials and others as of the date hereof; and the due execution and delivery pursuant to due authorization thereof by, and the validity and binding effect thereof on, each party thereto other than the Company. As to certain issues of fact, we have relied upon the above-mentioned Officer's Certificates.

We have made such examination of law as in our judgment is necessary or appropriate for purposes of this opinion. We do not, however, for the purposes of this opinion, purport to be qualified to pass upon, and express no opinion as to, the laws of any jurisdiction other than the State of California and the United States of America.

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Based upon and subject to the foregoing, and subject to the qualifications set forth herein, we are of the opinion that:

1. The Company is duly qualified and in good standing as a foreign corporation under the laws of the State of California and is duly qualified to hold property and to transact an electric public utility business in the State of California.

2. The Decision and Order dated August 11, 1995 (D. 95-08-045) of the

CPUC remain in full force and effect in the form issued and no other authorization, approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body of the State of California is required for the due execution, delivery and performance by the Company of the First Mortgage Bonds, the Indenture, the Supplemental First Mortgage Indenture, or the Distribution Agreement.

3. The First Mortgage Bonds, the First Mortgage Indenture and the Supplemental First Mortgage Indenture (the "First Mortgage Documents") are enforceable in accordance with their terms and under the laws of California. However, no opinion is given with respect to the effect of applicable bankruptcy, insolvency, reorganization or other similar laws affecting the rights of creditors generally; and no opinion is given with respect to the effect of rules of law governing specific performance, injunctive relief and other equitable remedies whether or not equitable remedies are sought, including without limitation the effect of court cases that have held that certain provisions of agreements are unenforceable where enforcement would violate the creditor's implied covenant of good faith and fair dealing or where it cannot be demonstrated that enforcement is reasonably necessary for the protection of the security. However, in our opinion, such rules of law and court cases do not render the First Mortgage Documents invalid as a whole and there exist, in the First Mortgage Documents or pursuant to applicable law, legally adequate remedies for a realization of the principal benefits and/or security intended to be provided by the First Mortgage Documents.

We call your attention to certain laws of general application in California affecting the rights and remedies of creditors, which include, without limitation, the prohibition against unilateral right of entry in the event of default of the debtor, limitations on the form of action necessary to enforce a debt secured by real property, anti-deficiency judgment laws and the rights of debtors and junior lien holders to redemption following judicial foreclosure. We also call to your attention that the provisions of the First Mortgage Indenture subjecting to the lien

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thereof after-acquired property of the Company may not be effective in some cases prior to the execution, delivery and recording of a supplemental indenture specifically subjecting such after-acquired property to the lien of the First Mortgage Indenture. In addition, we call your attention to the fact that a purchaser at foreclosure sale or anyone other than the Company

would probably have to qualify under California law in order to own and operate the property of the Company as a public entity.

4. The First Mortgage Bonds deposited with the Indenture Trustee and a new series of bonds designated "First Mortgage Bonds 9% Series NN due 2037" pledged with the Indenture Trustee as the basis for the issuance of the Notes constitute legal, valid and binding obligations of the Company, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws, and to general principles of equity and will be entitled to the security afforded by the First Mortgage Indenture equally and ratably with the securities outstanding thereunder.

5. The First Mortgage Indenture (or appropriate financing statements) have been duly recorded or filed in all places in the State of California where such recording or filing is necessary to perfect the lien of the First Mortgage Indenture as a lien on the security interest in both real and personal property of the Company subjected thereto that is located in the State of California. Notwithstanding the foregoing, (i) we express no opinion regarding the lien of the First Mortgage Indenture as against franchises, permits and other personal property which, under California law, may not be made subject to a personal property lien, and (ii) we express no opinion as to the perfection of the security interest in any Personal Property in which, under the provisions of the California Uniform Commercial Code, a security interest cannot be perfected by filing a financing statement.

6. No taxes (as distinguished from filing and recordation fees) are payable to the State of California or any subdivision or agency thereof in connection with the execution and delivery of the First Mortgage Bonds or the Supplemental First Mortgage Indenture.

The opinions set forth above are given in our capacity as California counsel to the Company only. We do not opine as to matters of New York or Nevada law, nor as to matters of federal public utilities or environmental law, nor as to matters of law of any other State.

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This opinion is furnished by us as counsel for the Company in connection with the proposed issuance and sale of the Notes and is solely for the benefit of the addressees hereto, of their counsel and of Choate, Hall & Stewart,

counsel for the Company, and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our express written permission.

Very truly yours,

GRAHAM & JAMES LLP

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EXHIBIT G

OFFICER'S CERTIFICATE

Each of the undersigned, Lynn M. Miller, Controller, and William E. Peterson, Senior Vice President, General Counsel and Corporate Secretary, of Sierra Pacific Power Company (the "Company"), does hereby certify, to the best of his or her knowledge, that (with terms not otherwise defined herein having the meanings set forth in the Distribution Agreement dated February 21, 1997 between the Company and each of Lehman Brothers Inc., A.G. Edwards & Sons, Inc. and UBS Securities LLC (the "Distribution Agreement")):

- (1) the representations and warranties of the Company in the Distribution Agreement are true and correct;
- (2) the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Distribution Agreement at or prior to the date hereof;
- (3) no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission; and
- (4) subsequent to the date of the most recent audited financial statements incorporated by reference in the Prospectus, neither the Company nor any of its subsidiaries has sustained any material adverse change, or any development involving a prospective material adverse change, in or affecting particularly the capital stock or long-term debt of the Company or any of its subsidiaries or the business, financial position, results of operations or properties of the Company or any of its subsidiaries other than as set forth in or contemplated by the Prospectus or as described herein.

IN WITNESS WHEREOF, we have hereunto set our hands this 21st day of February, 1997.

Lynn M. Miller, Controller

William E. Peterson, Senior Vice
President, Corporate Secretary and
General Counsel

EXHIBIT H

The letter of the Company's independent accountants will state in effect that:

(1) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the Rules and Regulations.

(2) In their opinion, the financial statements audited by them and incorporated by reference in the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Act and the Rules and Regulations.

(3) On the basis of procedures referred to in such letter, including a reading of the latest available interim financial statements of the Company and inquiries of officials of the Company responsible for financial and accounting matters, nothing caused them to believe that:

(a) any material modifications should be made to the unaudited condensed consolidated financial statements incorporated by reference in the Prospectus for them to be in conformity with generally accepted accounting principles;

(b) the unaudited condensed consolidated financial statements incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 as it applies to Form 10-Q and the related published rules and regulations;

(c) at the date of the latest available internal balance sheet of the Company, there was any change in the capital stock, notes payable or long-term debt or any decrease in the net assets

of the Company, or, at a subsequent specified date not more than five days prior to the date of such letter, there was a change in the capital stock, notes payable or long-term debt of the Company, in each case as compared with the amounts shown in the most recent balance sheet of the Company incorporated by reference in the Prospectus, except for (i) increases in capital stock resulting from the issuance of shares pursuant to employee benefit plans and the Company's Common Stock Investment Plan, (ii) decrease in long-term debt resulting from amortization of debt premium or increases in long-term debt premium or increases in long-term debt resulting from draw-downs of funds held in trust, (iii) decreases in net assets resulting from the declaration of dividends, (iv) changes or decreases which the Prospectus discloses have occurred or may occur and (v) such other changes or decreases as may be set forth in such letter; or

(d) at the date of the latest available internal balance sheet of the Company, there was any decrease, as compared with the most recent twelve-month period for which operating revenues and net income are included or incorporated by reference in the Prospectus, in such amounts, except in all cases for changes or decreases which the Prospectus discloses have occurred or as may be set forth in such letter.

(4) In addition to their examination referred to in their report in the Registration Statement and Prospectus and the procedures referred to in (3) above, they have carried out certain other specified procedures, not constituting an audit, with respect to the dollar amounts, percentages and other financial information (in each case to the extent that such dollar amounts, percentages and other financial information, either directly or by analysis or computation, are derived from the general accounting records of the Company) as requested by the Agents (or Agents' counsel), which appear in the Company's annual report on Form 10-K for its most recent fiscal year under the caption "Business" in Item 1 and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and have found such dollar amounts, percentages and financial information to be in agreement with the accounting records of the Company.

EXHIBIT B

SIERRA PACIFIC POWER COMPANY

TO

BANKERS TRUST COMPANY
Trustee

FOURTH SUPPLEMENTAL INDENTURE

Dated as of February 1, 1997

Supplementing the Collateral Trust Indenture
Dated as of June 1, 1992

FOURTH SUPPLEMENTAL INDENTURE, dated as of February 1, 1997, between
SIERRA PACIFIC POWER COMPANY, a corporation duly organized and existing under

the laws of the State of Nevada (herein called the "Company"), having its principal office at 6100 Neil Road, P.O. Box 10100, Reno, Nevada 89520, and BANKERS TRUST COMPANY, a New York banking corporation duly organized and existing under the laws of the State of New York, as Trustee herein called the "Trustee", the office of the Trustee at which at the date hereof its corporate trust business is principally administered being Four Albany Street, New York, New York 10006.

RECITALS OF THE COMPANY

WHEREAS, the Company has heretofore executed and delivered to the Trustee a Collateral Trust Indenture dated as of June 1, 1992 (the "Indenture") providing for the issuance by the Company from time to time of its collateralized medium-term notes to be issued in one or more series (in the Indenture and herein called the "Securities"); and

WHEREAS, the Company, in the exercise of the power and authority conferred upon and reserved to it under the provisions of the Indenture, including Section 1001 thereof, and pursuant to appropriate resolutions of the Board of Directors, has duly determined to make, execute and deliver to the Trustee this Fourth Supplemental Indenture to the Indenture as permitted by Sections 201 and 301 of the Indenture in order to establish the form or terms of, and to provide for the creation and issuance of, a fourth series of Securities under the Indenture in an initial aggregate principal amount of \$35,000,000; and

WHEREAS, all things necessary to make the Securities, when executed by the Company and authenticated and delivered by the Trustee or any Authenticating Agent and issued upon the terms and subject to the conditions hereinafter and in the Indenture set forth against payment therefor the valid, binding and legal obligations of the Company and to make this Fourth Supplemental Indenture a valid, binding and legal agreement of the Company, have been done;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH that, in order to establish the terms of a series of Securities, and for and in consideration of the premises and of the covenants contained in the Indenture and in this Fourth Supplemental Indenture and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually covenanted and agreed as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions. Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein.

Section 102. Section References. Each reference to a particular section set forth in this Fourth Supplemental Indenture shall, unless the context otherwise requires, refer to this Fourth Supplemental Indenture.

ARTICLE TWO

TITLE AND TERMS OF NOTES

Section 201. Title of the Notes. This Fourth Supplemental Indenture hereby establishes a series of Securities designated as the "Collateralized Medium-Term Notes, Series D" of the Company (collectively referred to herein as the "Notes"). For purposes of the Indenture, the Notes shall constitute a single series of Securities.

Section 202. Variations in Terms of Notes. The Notes will be offered in one or more tranches. Subject to the terms and conditions set forth in the Indenture and in this Fourth Supplemental Indenture, the terms of any particular tranche of the Notes may vary from the terms of any other tranche of the Notes as contemplated by Section 301 of the Indenture, and such terms for each tranche of Notes will be set forth in the Note for such tranche as delivered to the Trustee or an Authenticating Agent for authentication pursuant to Section 303 of the Indenture.

Section 203. Term of the Notes. Each Note will mature from nine months to 40 years from the date of issue.

Section 204. Amount and Denominations. The initial aggregate principal amount in which the Notes may be issued under this Fourth Supplemental Indenture is \$35,000,000 (or, if any Notes are to be Original Issue Discount Securities or are to be denominated with amounts payable in respect of principal of or any premium or interest on the Notes to be determined by reference to the value, rate or price of one or more specified indices ("Indexed Notes"), such principal amount as shall result initially in an aggregate initial offering price equivalent to \$35,000,000).

The Notes shall be denominated in United States dollars and payments of principal of and premium, if any, and interest on the Notes shall be made in United States dollars.

The Notes shall be issuable only in fully registered form. The authorized denominations of Notes shall be \$10,000 and integral multiples of \$1,000 in excess thereof. Notes may be represented by one or more permanent Global Notes, registered in the name of the Depositary, as provided in Section 206.

Section 205. Interest and Interest Rates. The Notes may bear interest or may be issued as Notes sold at a discount that do not bear interest, as shall be specified in such Note. Unless otherwise indicated in the Note, each interest-bearing Note shall bear interest from and including its date of authentication or from and including the most recent Interest Payment Date

with

respect to which interest on such Note (or any predecessor Note) has been paid or duly provided for at the fixed rate per annum, or at the rate per annum determined pursuant to an interest rate formula, stated therein until the principal thereof is paid or made available for payment. Interest shall be payable on each Interest Payment Date and at Maturity upon deposit of sufficient funds therefor by the Company by no later than 10:00 a.m., New York City time, on each such payment date. Interest shall be payable generally to the Person in whose name a Note (or any predecessor Note) is registered at the close of business on the Regular Record Date next preceding each Interest Payment Date; PROVIDED, HOWEVER, that interest payable at Maturity shall be payable to the person to whom principal shall be payable. The first payment of interest on any Note originally issued between a Regular Record Date and an Interest Payment Date shall be made on the second Interest Payment Date following the Issue Date of such Note to the registered owner on the Regular Record Date immediately preceding such Interest Payment Date.

In no event shall any Note at any time bear interest in excess of 9% per annum.

Section 206. Book-Entry Notes. Upon issuance, all Book-Entry Notes of like tenor and having the same Issue Date shall be represented by a single permanent Global Note. Each Global Note representing Book-Entry Notes shall be deposited with, or on behalf of, The Depository Trust Company, as Depository (the "Depository"), located in the Borough of Manhattan, The City of New York, and shall be registered in the name of the Depository or a nominee of the Depository.

Section 207. Redemption in Certain Circumstances. Upon any redemption of the Designated Mortgage Bonds relating to any of the Notes that is required pursuant to the provision of clause 2 of Section 6.05 of the Mortgage Indenture, the Company will, upon compliance with Section 1202 of the Indenture, redeem such Notes in an aggregate amount equal to the amount becoming due and payable on such Designated Mortgage Bonds, plus accrued interest.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

The Trustee makes no undertaking or representations in respect of, and shall not be responsible in any manner whatsoever for and in respect of, the validity or sufficiency of this Fourth Supplemental Indenture or the proper authorization or the due execution hereof by the Company or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

Except as expressly amended hereby, the Indenture shall continue in full force and effect in accordance with the provisions thereof and the Indenture is in all respects hereby ratified and confirmed. This Fourth Supplemental Indenture and all of its provisions shall be deemed a part of the Indenture in the manner and to the extent herein and therein provided.

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This Fourth Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

This Fourth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

SIERRA PACIFIC POWER COMPANY

By: /s/ Malyn K. Malquist

Name: Malyn K. Malquist
Title: Senior Vice President
Distribution Services Business Group

By: /s/ Lynn M. Miller

Name: Lynn M. Miller
Title: Controller

[SEAL]

Attest:

/s/ William E. Peterson

William E. Peterson, Senior
Vice President, General Counsel
and Corporate Secretary

BANKERS TRUST COMPANY, as Trustee

By: /s/ Matthew Seeley

Name: Matthew Seeley

[SEAL]

Title: Vice President

Attest:

/s/ Kevin Weeks

Assistant Treasurer

EXHIBIT C

Sierra Pacific Power Company
6100 Neil Road
P.O. Box 10100
Reno, Nevada 89520-0400

SIERRA PACIFIC POWER COMPANY

TO

STATE STREET BANK AND TRUST COMPANY

AND

GERALD R. WHEELER,
AS TRUSTEES

THIRTY-FIFTH SUPPLEMENTAL INDENTURE

Dated as of February 1, 1997

Supplementing the Indenture of Mortgage
dated as of December 1, 1940

THIS INSTRUMENT GRANTS A SECURITY INTEREST BY A PUBLIC UTILITY

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS

This instrument is being filed pursuant to Nevada Revised Statutes
Chapter 105

THIS THIRTY-FIFTH SUPPLEMENTAL INDENTURE dated as of the first day of

February, 1997 by and between SIERRA PACIFIC POWER COMPANY, as Debtor (its IRS employer identification number being 88-0044418), a corporation duly organized and existing under the laws of the State of Nevada (hereinafter sometimes called the "Company"), whose mailing address is P.O. Box 10100, Reno, Nevada 89520 and address of its chief place of business is 6100 Neil Road, Reno, Nevada, party of the first part, and STATE STREET BANK AND TRUST COMPANY, a trust company duly organized and existing under the laws of The Commonwealth of Massachusetts, and having its chief place of business at 225 Franklin Street, Boston, Massachusetts, as Trustee and Secured Party (its IRS employer identification number being 04-1867445) and GERALD R. WHEELER, as Co-Trustee and Secured Party (whose Social Security number is ###-##-#### and whose residence address is 37 Cleveland Road, Waltham, Massachusetts), the mailing address of each of whom is P.O. Box 778, Boston, Massachusetts 02102 (both of whom are hereinafter sometimes called the "Trustees", the former being hereinafter sometimes called the "Trustee" and the latter the "Individual Trustee" or "Co-Trustee"), parties of the second part.

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

WHEREAS, by virtue of Section 15.24 of the Original Indenture, State Street Bank and Trust Company is now qualified and acting as successor Trustee thereunder as the result of the conversion of The New England Trust Company into a national banking association under the name New England National Bank of Boston on October 17, 1960, the consolidation of said national banking association with The Merchants National Bank of Boston under the name New England Merchants National Bank of Boston as of December 31, 1960, the merger of said New England Merchants National Bank of Boston into New England Merchants Bank (National Association) under the name New England Merchants National Bank as of June 18, 1970, the change of the name of said New England Merchants National Bank to Bank of New England, National Association as of May 1, 1982 and the transfer of substantially all of the corporate trust business of Bank of New England, National Association to State Street Bank and Trust Company as of September 17, 1990; and

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

WHEREAS, on November 18, 1974, Fletcher C. Chamberlin resigned as Co-Trustee and the Company and the Trustee, in accordance with the provisions

Indenture, accepted such resignation and appointed James S. Fisher as successor Co-Trustee thereunder; and

WHEREAS, on September 27, 1985, James S. Fisher resigned as Co-Trustee and the Company and the Trustee, in accordance with the provisions of Section 15.20 of the Original Indenture, accepted such resignation and appointed Gerald R. Wheeler as successor Co-Trustee thereunder, and Gerald R. Wheeler is now the qualified and acting Co-Trustee thereunder; and

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

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

WHEREAS, the Company heretofore executed and delivered to the Trustees an Eleventh Supplemental Indenture dated as of October 1, 1965, a Twelfth Supplemental Indenture dated as of July 1, 1967, a Thirteenth Supplemental Indenture dated as of May 1, 1970, a Fourteenth Supplemental Indenture dated as of November 1, 1972, a Fifteenth Supplemental Indenture dated as of May 1, 1974, a Sixteenth Supplemental Indenture dated as of October 1, 1975, a Seventeenth Supplemental Indenture dated as of July 1, 1976, an Eighteenth Supplemental Indenture dated as of August 1, 1977, a Twenty-first Supplemental Indenture dated as of August 1, 1979, a Twenty-second Supplemental Indenture dated as of October 1, 1980, a Twenty-third Supplemental Indenture dated as of May 1, 1981, a Twenty-fourth Supplemental Indenture dated as of September 1, 1982, a Twenty-fifth Supplemental Indenture dated as of July 1, 1986, a Twenty-sixth Supplemental Indenture

dated as of August 1, 1988, a Twenty-seventh Supplemental Indenture dated as of August 1, 1989, a Twenty-eighth Supplemental Indenture dated as of May 1, 1992, a Twenty-ninth Supplemental Indenture dated as of June 1, 1992, a Thirtieth Supplemental Indenture dated as of July 1, 1992, a Thirty-first Supplemental Indenture dated as of November 1, 1992, a Thirty-second Supplemental Indenture dated as of June 1, 1993, a Thirty-third Supplemental Indenture dated as of October 1, 1993 and a Thirty-fourth Supplemental Indenture dated as of February 1, 1996, each supplementing and/or

modifying the Original Indenture, pursuant to each of which the Company provided for the creation of a new series of First Mortgage Bonds, and executed and delivered to the Trustees a Nineteenth Supplemental Indenture dated as of April 1, 1978 and a Twentieth Supplemental Indenture dated as of October 1, 1978, each modifying the Original Indenture, and

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

Title -----	Issued and Outstanding -----
6 1/2% Bonds of 1997 Series	\$ 15,000,000.00
2% Bonds of 2011 Series	1,851,764.91
5% Bonds of Series Y due 2024	3,394,063.22
2% Bonds of Series Z due 2004	155,256.99
6.55% Bonds of Series AA due 2013	39,500,000.00
6.65% Bonds of Series BB due 2017	17,500,000.00
12% Bonds of Series CC due 2022	115,000,000.00
6.30% Bonds of Series DD due 2014	45,000,000.00
6.30% Bonds of Series EE due 2022	10,250,000.00
6.35% Bonds of Series FF due 2012	1,000,000.00
6.55% Bonds of Series GG due 2020	20,000,000.00
6.65% Bonds of Series HH due 2017	75,000,000.00
6.70% Bonds of Series II due 2032	21,200,000.00
5.90% Bonds of Series JJ due 2023	9,800,000.00
5.90% Bonds of Series KK due 2023	30,000,000.00
10% Bonds of Series LL due 2033	80,000,000.00
9% Bonds of Series MM due 2035	80,000,000.00

WHEREAS, the Board of Directors of the Company has established under said Original Indenture, as supplemented and modified, a new series of Bonds to be designated First Mortgage Bonds, 9% Series NN due 2037, to be dated as of February 1, 1997 and to be due February 1, 2037 (hereinafter sometimes referred to as "Bonds of the NN Series") and has authorized the initial

issuance of Bonds of the NN Series in the principal amount of Thirty-five Million Dollars (\$35,000,000) pursuant to the provisions of Article 3 of the Original indenture to obtain funds for its corporate purposes; and

WHEREAS, pursuant to a Collateral Trust Indenture (as supplemented, the "Collateral Trust Indenture") dated as of June 1, 1992 between the Company and Bankers Trust Company (the "Indenture Trustee")

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(a) Thirty-five Million Dollars (\$35,000,000) aggregate principal amount of Bonds of the NN Series are to be registered in the name of the Indenture Trustee;

(b) From time to time, the Company will designate all or a portion of said Bonds of the NN Series to be held in pledge as Designated Mortgage Bonds under the terms of, to the extent and in the manner provided in, the Collateral Trust Indenture to serve as security for the payment of the principal of and premium, if any, and interest on up to Thirty-five Million Dollars (\$35,000,000) aggregate principal amount of collateral trust notes (the "Securities") to be issued from time to time under the Collateral Trust Indenture; and

(c) Any payments received by the Indenture Trustee on account of principal of or interest on the Bonds of the NN Series are to be applied by the Indenture Trustee to the payment of corresponding amounts of principal of, or interest or premium on, the Securities; and any payments received by the Indenture Trustee on account of principal of, or interest or premium on, the Securities through funds other than payments received by it on account of principal of or interest on the Bonds of the NN Series shall constitute full payment of corresponding amounts of principal of or interest on the Bonds of the NN Series; and any receipt by the Indenture Trustee of any Securities for cancellation shall constitute full payment of the principal of and interest on a corresponding amount of the bonds of the NN Series; and

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

WHEREAS, the Company desires to execute this Thirty-fifth Supplemental Indenture and hereby requests the Trustees to join in this Thirty-fifth Supplemental Indenture for the purpose of (a) describing the terms of the Bonds

of the NN Series and (b) subjecting to the lien of the Original Indenture, or perfecting the lien thereof upon, additional properties acquired by the Company since the execution and delivery of the Original Indenture (the Original Indenture, as heretofore supplemented and modified and as hereby supplemented and modified being herein sometimes called the "Indenture"); and

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

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NOW, THEREFORE, THIS INDENTURE WITNESSETH:

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

PART I.

REAL PROPERTY IN THE STATE OF CALIFORNIA

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

MODOC COUNTY

The following described property in Modoc County, California as conveyed to

Sierra Pacific Power Company from Ralph E. Wesinger, Jr. and Catherine R. Wesinger by deed recorded July 25, 1995, Book 422, Pages 687, 688, File No. 002297, Official Records of Modoc County, California:

Parcel I

Township 41 North, Range 12 East, MDB&M Section 4, Lot 3 and the SE 1/4 of the NW 1/4 Township 42 North, Range 12 East, MDB&M Section 33, the E 1/2 of the SW 1/4. Containing 120 acres, more or less.

Parcel II

Township 41 North, Range 12 East, MDB&M Section 4, Lot 4 and the SW 1/4 of the NW 1/4 Township 42 North, Range 12 East, MDB&M Section 33, the SW 1/4 of the SW 1/4. Containing 161.57 acres, more or less.

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Containing 281.57 acres, more or less.

REAL PROPERTY IN THE STATE OF NEVADA

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

WASHOE COUNTY

(1) The following described property in Washoe County, Nevada as conveyed to Sierra Pacific Power Company from Canyon Hills, a Nevada General Partnership by deed recorded March 18, 1996, File No. 1977252, Official Records of Washoe County, Nevada:

A parcel of land located within a portion of the NE 1/4 of the SE 1/4, of Section 24, Township 20 North, Range 20 East, MDM, Washoe County, Nevada

Commencing at the East 1/4 corner of said Section 24;

Thence South 57DEG. 35' 26" West, 618.49 feet to the Northeast corner of said Parcel of land and to the TRUE POINT OF BEGINNING;

Thence South 26DEG. 55' 59" West, 470.92 feet;

Thence North 90DEG. 00' 00" West, 463.08 feet;

Thence North 00DEG. 00' 00" East, 521.97 feet;

Thence along a non-tangent curve to the right with a radial bearing of South 08DEG. 21' 00" West, a distance of 38.35 feet, a central angle of 10DEG. 59' 07" and a radius of 200 feet to a point of reverse curve to the left;

Thence along said curve a distance of 286.59 feet a central angle of 16DEG. 51' 12" and a radius of 974.31 feet to the end of curve;

Thence South 87DEG. 34' 06" East, a distance of 300.95 feet to the beginning of a curve to the right;

Thence along said curve a distance of 65.41 feet, a central angle of 44DEG. 05' 37" and a radius of 85.00 feet back to the point of beginning.

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Containing 6.2 acres, more or less.

(2) The following described property in Washoe County, Nevada as conveyed to Sierra Pacific Power Company from Gracian Iratcabal and Grace Iratcabal by deed recorded October 15, 1996, File No. 2039414, Official Records of Washoe County, Nevada:

All that certain real property situate in Washoe County, Nevada, lying within the Northwest 1/4 of Section 27, Township 20 North, Range 20 East, MDM, more particularly described as follows:

Beginning at the center of said Section 27, as shown on Record of Survey Map No. 1461, recorded February 25, 1981, Official Records, Washoe County, Nevada, said POINT OF BEGINNING being further described as a found 5/8" rebar with cap, stamped "RLS 4787".

Thence North 89DEG. 45' 56" West along the Southerly line of said Northwest 1/4 a distance of 249.83 feet;

Thence North 01DEG. 33' 00" East, 174.41 feet;

Thence South 89DEG. 45' 56" East, 249.83 feet to the Easterly line of said Northwest 1/4;

Thence South 01 33' 00" West along said Easterly line, 174.41 feet back to the point of beginning.

Containing 1.0 acre, more or less.

(3) The following described property in Washoe County, Nevada as conveyed to Sierra Pacific Power Company from Lorne Pratt, Trustee for Area West Profit Sharing Plan by deed recorded April 24, 1996, File No. 1988238, Official Records of Washoe County, Nevada:

All that certain lot, piece or parcel of land situate in the County of Washoe, State of Nevada, described as follows:

That portion of the Southwest 1/4 of the Southeast 1/4 of Section 27, Township 20 North, Range 19 East, MDB&M, described as follows:

Beginning at the Southwest corner of the property described as Parcel 1 in that certain deed to Sierra Pacific Power Company, recorded October 17, 1963, as Document No. 401996, from which the Southeast corner of said Section 27 bears North 89DEG. 20' 00" East a distance of 1319.2 feet, more or less;

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Thence North 00DEG. 40' 00" East along the West line of said Power Company property to the Northwest corner thereof;

Thence Easterly along the North line thereof to the Southwest corner of the property conveyed to Falcon's Nest Limited Partnership by deed recorded March 6, 1979, as Document No. 592075;

Thence North 01DEG. 10' 42" East along the West line of said Falcon's Nest Limited Partnership property to the Northwesterly corner thereof;

Thence South 24DEG. 30' 00" West along the Southeasterly line of the property conveyed to the City of Reno by deed recorded November 16, 1972, as Document No. 265872, to a point on the South line of said Section 27;

Thence East along said section line to the point of beginning.

Containing 267,458 square feet, more or less.

PART II.

ALL OTHER PROPERTY

Whether the same has or has not been specifically described or referred to elsewhere in the Indenture, and provided the same is not therein or herein elsewhere expressly excepted, all the corporate and other franchises owned by the Company, and all permits, ordinances, easements, privileges, immunities, patents and licenses, all rights to construct, maintain and operate overhead and underground systems for the distribution and transmission of electric current,

gas, water, steam heat or other agencies for the supplying to itself and to others of light, heat, power and water, all rights of way and all grants and consents and all leases and leasehold interests whatsoever (not therein or herein specifically excepted) whether the same or any of the same are now owned or hereafter acquired by the Company; also all other property, real, personal and mixed, now owned or hereafter acquired by the Company, including (but not limited to) all its properties situated in the cities of Reno, Sparks, Carson City, Yerington, Lovelock, Elko, Winnemucca, Hawthorne, Tonopah and Battle Mountain, in the Counties of Carson City, Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lyon, Mineral, Nye, Pershing, Storey, Washoe and White Pine, in the State of Nevada, and also in the Counties of Alpine, El Dorado, Mono, Nevada, Placer, Plumas and Sierra in the State of California and wheresoever situated (not therein or herein specifically excepted), including (without in any wise limiting or impairing by the enumeration of the same, the generality, scope and intent of the foregoing or of any general description contained in the Original Indenture, as heretofore supplemented and modified and hereby supplemented and modified), all lands, rights of way, water and riparian rights and all interests therein, dams and dam sites, gas and electric light, heat and power plants and systems, water and/or water-works plants and systems, plants,

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manufactories, power houses, substations, garages, sheds, warehouses, repair shops, storage houses, buildings, tunnels, bridges, distribution and transmission lines, pipe lines, conduits, towers, poles, wires, cables and all other structures, machinery, engines, boilers, dynamos, electric machines, regulators, meters, transformers, generators, motors, electric and mechanical appliances, and other equipment of every description; and also all accessions, additions, alterations, improvements, betterments, developments, extensions and enlargements hereafter made, constructed or acquired by the Company to, of or upon any or all of the properties, equipment, system and/or plants, and/or property used thereby or useful therefor or incidental thereto or connected therewith; and the reversions, reservations and remainders and all the estate, right, title, interest, possession, claim and demand of every nature and description whatsoever of the Company, as well at law as in equity of, in and to the same and every part and parcel thereof.

PART III.

INCOME

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

PART IV.

PROPERTIES EXCEPTED

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

- (a) All property excepted or excluded or intended to be excepted or excluded by the Granting Clauses of the Original Indenture as heretofore supplemented and modified and as hereby supplemented and modified, subject to the provisions of Section 5.16 of the Original Indenture as renumbered by Section 1.07 of the Twentieth Supplemental Indenture, provided, however, that no properties necessary or appropriate for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying and/or disposing of electricity, water and/or gas shall be excepted from the lien of the Indenture, anything contained in Subdivision I of Part X of the Granting Clauses of the Original Indenture to the contrary notwithstanding; and
- (b) All property released or otherwise disposed of pursuant to the provisions of Article 6 of the Original Indenture,

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

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

TO HAVE AND TO HOLD all that part of the aforesaid property, rights, privileges, franchises and immunities situated in the State of California, whether now owned or hereafter acquired by the Company, unto the Individual Trustee, and his successors and assigns in trust forever.

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited, any permitted liens, other than liens and encumbrances junior to the lien of the Indenture, as defined in Section 1.01(y) of the Original Indenture as modified by Section 1.03 of the Twentieth Supplemental Indenture, and to liens existing on any property hereafter acquired by the Company at the time of such acquisition or permitted by Section 5.04 of the Original Indenture.

BUT IN TRUST, NEVERTHELESS, for the equal pro rata benefit, security and protection of all present and future holders of the Bonds issued and to be issued under and secured by the Indenture, and to secure the payment of such Bonds and the interest thereon, in accordance with the provisions of said Bonds and of the Indenture, without any discrimination, preference, priority or distinction as to lien or otherwise of any Bond over any other Bond, except insofar as any sinking fund established in accordance with the provisions of the Indenture may afford additional security for the Bonds of any one or more series and except as provided in Section 10.29 of the Original Indenture, so that the

principal and interest of every such Bond shall be equally and ratably secured by the Indenture, as if all said Bonds had been issued, sold and delivered for value simultaneously with the execution of the Original Indenture and to secure the performance of and the compliance with the covenants and conditions of said Bonds and of the Indenture, and upon the trusts and for the uses and purposes and subject to the covenants, agreements, provisions and conditions hereinafter set forth and declared; it being hereby agreed as follows, to wit:

ARTICLE 1

Description of Bonds of the NN Series

Section 1.01. Establishment of Bonds of the NN Series. There shall be and hereby is established a new series of Bonds to be issued under and secured by the Indenture and to be designated as the Company's "First Mortgage Bonds, 9% Series NN due 2037" (herein sometimes referred to as "Bonds of the NN Series").

Section 1.02. Terms of Bonds of the NN Series. The Bonds of the NN Series shall be evidenced by a single registered Bond in the principal amount and denomination of Thirty-five Million Dollars (\$35,000,000) due February 1, 2037; it shall bear interest at the rate per annum

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shown in its title, payable semi-annually on February 1 and August 1 of each year, commencing August 1, 1997. Interest on the Bonds of the NN Series shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds of the NN Series shall be dated as provided in Section 2.08 of the original Indenture as modified by Section 2.03 of the Twelfth Supplemental Indenture.

The single Bond of the NN Series shall be numbered 1 and shall upon issuance be delivered by the Company to and registered in the name of the Indenture Trustee and thereafter shall not be sold, assigned, pledged, mortgaged, transferred or otherwise disposed of except as required to effect (a) an assignment to a successor Indenture Trustee under the Collateral Trust Indenture or (b) a surrender to the Trustee (i) to effect an exchange, in accordance with applicable law, in connection with any Federal or State bankruptcy, insolvency, reorganization or similar proceeding involving the Company, (ii) to effect an exchange by the Company with the Indenture Trustee of any Mortgage Bonds (as defined in the Collateral Trust Indenture) upon payment or deemed payment or other satisfaction and discharge of a portion of any Mortgage Bonds, (iii) to effect a surrender or an exchange of any Mortgage Bonds pursuant to Section 406 or 503 of the Collateral Trust Indenture or (iv) to obtain the final payment due on any Mortgage Bonds as required by the terms of the Indenture. Bonds issued upon any such transfer or surrender shall be numbered from 2 upwards and issued to the transferee or person surrendering the

same for a like principal amount, less the principal amount of such bond that has been paid, deemed to have been paid or otherwise satisfied and discharged or surrendered for cancellation pursuant to Section 406 or 503 of the Collateral Trust Indenture.

It is expected that the Company, pursuant to the Collateral Trust Indenture, will furnish directly to the Indenture Trustee at its principal corporate trust office all funds required for any and all payments of principal of, and interest and premium on, Securities. Any such payment may be made in any coin or currency of the United States which is legal tender for the payment of public and private debts. The obligation of the company to make any payment of the principal of or interest on the portion of the Bond of the NN Series that is designated as Designated Mortgage Bonds (as such term is defined in the Collateral Trust Indenture and hereinafter called "Designated Mortgage Bonds"), whether at its stated maturity or upon redemption (including any redemption pursuant to Section 404 of the Collateral Trust Indenture), shall be fully or partially, as the case may be, deemed to have been paid or otherwise satisfied and discharged to the extent that at the time any such payment shall be due, the then due principal of (and premium, if any) or interest on the Securities to which such Designated Mortgage Bonds relate shall have been fully or partially paid, deemed to have been paid or otherwise satisfied and discharged. In addition, such obligation to make any payment of the principal of or interest on the portion of the Bond of the NN Series that is designated as Designated Mortgage Bonds at any time shall be deemed to have been satisfied and discharged to the extent that the amount of the Company's obligation to make any payment of the principal of or interest on the portion of the Bond of the NN Series that is designated as Designated Mortgage Bonds exceeds the obligation of the Company at that time to make any payment on the applicable Redemption Date or Stated Maturity (each as defined in the Collateral Trust Indenture) of the principal of (and premium, if any) or interest on the Securities to which such portion of the Bond of the NN Series that is designated as Designated Mortgage Bonds relates.

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The obligation of the Company to make any payment of the principal of or interest on the Bond of the NN Series other than the portion that is designated as Designated Mortgage Bonds shall be deemed to have been satisfied and discharged in full at the time any such payment shall be stated to be due.

Unless payment then is or has been made pursuant to the next preceding paragraph, payment of the principal of, and premium, if any, and interest on the single Bond of the NN Series shall be made in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts at the principal corporate trust office of the Indenture Trustee on or prior to the business day preceding the due date for such payment. Any such payment of principal, premium and interest shall be credited as and used to make a corresponding payment of principal, premium and interest on the Securities.

The Trustees may conclusively presume that the obligation of the Company to

pay the principal of and premium, if any, and interest on the Bond of the NN Series as the same shall become due and payable at maturity or upon redemption shall have been duly and punctually paid or deemed to have been paid or otherwise satisfied and discharged in full unless and until it shall have received notice in writing to the contrary from the Indenture Trustee, specifying the amount of funds required to make such payment after giving effect to Section 403(a) of the Collateral Trust Indenture.

The Indenture Trustee, by acceptance of the single Bond of the NN Series, shall agree to make the notations on the Schedule of Designations and Prepayments required by the Collateral Trust Indenture and to surrender said Bond to the Trustee upon the circumstances set forth in Section 406 or 503 of the Collateral Trust Indenture.

If any of the following events of default occurs under Section 601 of the Collateral Trust Indenture, it shall be deemed to be the corresponding default under Section 10.01 of the Indenture as hereafter provided: (i) default in the payment of any interest upon any Security when such interest becomes due and payable shall be deemed to be a default, under Section 10.01(a) of the Indenture, in the due and punctual payment of a like amount of interest on the Bond of the NN Series, (ii) default in the payment of the principal of (or premium, if any, on) any Security at the stated maturity thereof or upon redemption thereof shall be deemed to be a default, under Section 10.01(b) of the Indenture, in the due and punctual payment of a like amount of principal of the Bond of the NN Series, (iii) default in the deposit of any sinking fund payment when and as due by the terms of a Security shall be deemed to be a default under Section 10.01(d) of the Indenture, (iv) a default in the performance, or breach, of any covenant or warranty of the Company as described in Section 601(4) of the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(d) of the Indenture, (v) the occurrence of an event described in Section 601(5) of the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(e) of the Indenture, (vi) the occurrence of an event described in Section 601(6) of the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(f) of the Indenture and (vii) occurrence of an event of default provided in an indenture

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supplemental to the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(d) of the Indenture.

Any notice affecting or relating to the Bonds of the NN Series required or permitted to be given under the Indenture may be given by mailing the same by first class mail, postage prepaid, to the Indenture Trustee at its address as the same appears on the Bond Register for the Bonds of the NN Series. The certificate of the Trustee that such mailing has been effected shall be conclusive evidence of compliance with the requirements of Section 4.02 and of Section 16.08 of the Original Indenture as modified by Section 2.07 of the Twelfth Supplemental Indenture, whether or not the Indenture Trustee receives such notice.

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

Section 1.03. Prepayment Provisions of the Bonds of the NN Series. The Bond of the NN Series shall be redeemable at the option of the Company at any time, but only to the extent that such Bond of the NN Series is (i) a Designated Mortgage Bond which the Company has incurred the obligation under the Collateral Trust Indenture to redeem, or (ii) not a Designated Mortgage Bond, and shall not otherwise be redeemable pursuant to the requirements of the Indenture, except pursuant to the provisions of clause 2 of Section 6.05 of the Original Indenture.

In the event of a redemption in accordance with the provisions of the preceding paragraph, the Indenture Trustee shall forthwith make notation of the principal amount of the Bond of the NN Series so redeemed on the Schedule of Designations and Prepayments printed thereon, and shall promptly notify the Trustee of the amount of such payment and that notation of such payment has been duly made.

All portions of the single Bond of the NN Series which may from time to time be paid or prepaid in accordance with this Section 1.03 shall thereupon be deemed to be funded, and no such portion may be reissued, so long as any portion of said Bond of the NN Series is outstanding.

Section 1.04. Form of Bonds of the NN Series. The Bonds of the NN Series and the Trustee's authentication certificate to be executed on the Bonds of said series shall be substantially in the forms following, respectively:

[FORM OF BONDS OF NN SERIES]

NOTE: THE HOLDER OF THIS BOND BY ACCEPTANCE HEREOF AGREES TO RESTRICTIONS ON TRANSFER, TO WAIVERS OF CERTAIN RIGHTS OF EXCHANGE, AND TO INDEMNIFICATION PROVISIONS AS SET FORTH BELOW. IN ADDITION, THE BOND REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED

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UNDER THE SECURITIES ACT OF 1933 AND SUCH BOND MAY NOT BE TRANSFERRED WITHOUT COMPLIANCE WITH APPLICABLE SECURITIES LAWS.

SIERRA PACIFIC POWER COMPANY

Incorporated under the laws of the State of Nevada

First Mortgage Bonds, 9% Series NN due 2037

Due February 1, 2037

No. NN-__

\$35,000,000

SIERRA PACIFIC POWER COMPANY, a corporation of the State of Nevada (hereinafter called the "Company"), for value received, hereby promises to pay to _____, as trustee (with its successors as such, the "Indenture Trustee") under that certain Collateral Trust Indenture, dated as of June 1, 1992, as supplemented (as so supplemented, the "Collateral Trust Indenture"), between the Company and the Indenture Trustee, providing for the issuance from time to time of the Company's collateral trust notes (the "Securities"), to be issued in one or more series or tranches as in the Collateral Trust Indenture provided, on February 1, 2037, for the ratable benefit of the Holders from time to time of the series or tranches of outstanding Securities for which portions of this Bond are designated as described below, the sum of Thirty-five Million Dollars, and to pay to the Indenture Trustee interest thereon from February 1, 1997 or the most recent February 1 or August 1 to which interest has been paid or deemed to have been paid or otherwise satisfied and discharged, at the rate of 9% per annum on February 1 and August 1 in each year, commencing August 1, 1997, until the Company's obligation with respect to the payment of such principal shall have been discharged. Notwithstanding the foregoing, the obligation of the Company to make any payment of the principal of or interest on the portion of this Bond that is designated as Designated Mortgage Bonds (as such term is defined in the Collateral Trust Indenture), whether at maturity, upon redemption (including any redemption pursuant to Section 404 of the Collateral Trust Indenture) or otherwise, shall be fully or partially, as the case may be, deemed to have been paid or otherwise satisfied and discharged to the extent that at the time any such payment shall be due, the then due principal of (and premium, if any) or interest on the Securities to which such Designated Mortgage Bonds relate, shall have been fully or partially paid, deemed to have been paid or otherwise satisfied and discharged. In addition, such obligation to make any payment of the principal of or interest on the portion of this Bond that is designated as Designated Mortgage Bonds at any time shall be deemed to have been satisfied and discharged to the extent that the amount of the Company's obligation to make any payment of the principal of or interest on the portion of this Bond that is designated as Designated Mortgage Bonds exceeds the obligation of the Company at that time to make any payment on the applicable Redemption Date or Stated Maturity (as such terms are defined in the Collateral Trust Indenture)

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of the principal of (and premium, if any) or interest on the Securities to which such portion of this Bond that is designated as Designated Mortgage Bonds relates. The obligation of the Company to make any payment of the principal of or interest on this Bond other than the portion that is designated as Designated Mortgage Bonds shall be deemed to have been

satisfied and discharged in full at the time any such payment shall be stated to be due.

The holder of this Bond by acceptance hereof agrees that whenever any designation or payment on account of the principal of this Bond is made or occurs under any provision of the indenture referred to below (the "Indenture") or the Collateral Trust Indenture, the holder hereof shall promptly note on the Schedule of Designations and Prepayments the date and amount of each such designation or payment of principal, and shall promptly notify the Trustee of the amount of each such designation or payment and that the notation of designation or payment has been duly made, and further agrees to surrender this Bond to the Trustee for cancellation when all principal of, premium, if any, and interest on this Bond shall have been duly paid.

Unless payment then is or has been made pursuant to the second preceding paragraph, the principal of and interest on this Bond will be paid in lawful money of the United States of America and will be payable at the principal corporate trust office of the Indenture Trustee by check or wire transfer to the order of the Indenture Trustee in Federal funds immediately available at said office of the Indenture Trustee, in each case on or prior to the business day preceding the due date for such payment. The holder of this Bond by acceptance hereof agrees that any such payment of principal or interest on this Bond shall be credited as and used to make a corresponding payment of principal, premium or interest on the Securities.

This Bond is the single registered bond of the Company of the series specified in the title hereof, and is issued in the aggregate principal amount of \$35,000,000 in order to secure by the lien of the Indenture hereinafter mentioned the obligation of the Company to pay duly and punctually the principal of (and premium, if any) and interest on Outstanding Securities (as defined in the Collateral Trust Indenture) in accordance with the terms thereof, and the Collateral Trust Indenture, and evidences the Bonds of a series of an authorized issue of bonds of the Company, known as First Mortgage Bonds, not limited as to maximum principal amount except as otherwise provided in the Indenture hereinafter mentioned, all issued or issuable in one or more series (which several series may be of different denominations, dates and tenor) under and equally secured (except insofar as any sinking fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for other Bonds of any particular series) by an Indenture of Mortgage dated as of December 1, 1940, duly executed and delivered by the Company's predecessor, Sierra Pacific Power Company, a Maine corporation, and duly assumed by the Company by means of the Tenth Supplemental Indenture hereinafter mentioned, to The New England Trust Company (now State Street Bank and Trust Company by succession, herein sometimes called "Trustee"), and Leo W. Huegle (now Gerald R. Wheeler by succession), as Trustees, as supplemented and modified by the First Supplemental Indenture, dated as of August 1, 1947, by the Second Supplemental Indenture, dated as of April 11, 1948, by the Ninth Supplemental Indenture, dated as of June 1, 1964, by the Tenth Supplemental Indenture, dated as of March 31, 1965, by the Twelfth Supplemental Indenture,

dated as of July 1, 1967, by the Fourteenth Supplemental Indenture, dated as of November 1, 1972, by the Fifteenth Supplemental Indenture, dated as of May 1, 1974, by the Seventeenth Supplemental Indenture, dated as of July 1, 1976, by the Eighteenth Supplemental Indenture, dated as of August 1, 1977, by the Nineteenth Supplemental Indenture, dated as of April 1, 1978, and by the Twentieth Supplemental Indenture, dated as of October 1, 1978, and as supplemented by all other indentures supplemental thereto including a Thirty-fifth Supplemental Indenture, dated as of February 1, 1997, executed and delivered by the Company (or executed and delivered by its predecessor and duly assumed by the Company) to said Trustees, to which Indenture of Mortgage and all indentures supplemental thereto (herein sometimes collectively called the "Indenture") reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the rights and remedies and limitations on such rights and remedies of the registered owner of this Bond in regard thereto, the terms and conditions upon which said bonds are secured thereby, the terms and conditions upon which additional bonds and coupons may be issued thereunder and the rights, immunities and obligations of the Trustees under said Indenture; but neither the foregoing reference to said Indenture, nor any provision of this Bond or of said Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay at the maturity herein provided the principal of and premium, if any, and interest on this Bond as herein provided.

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

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

receive payment of the principal of and interest on such bond, on or after the respective due dates expressed in such bond, or to institute suit for the enforcement of any such payment on or after such respective dates, except that the holders of not less than seventy-five per centum (75%) in principal amount of the bonds outstanding may consent on behalf of the bearers or registered owners of all of the bonds to the postponement of any interest payment for a period of not exceeding three (3) years from its due date, or (b) deprive any bearer or registered owner of the bonds of a lien on the

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mortgaged and pledged property, or (c) reduce the percentage of the principal amount of the bonds upon the consent of which modifications may be effected as aforesaid.

If any of the following events occurs under Section 601 of the Collateral Trust Indenture, it shall be deemed to be the corresponding default under Section 10.01 of the Indenture as set forth hereafter: (i) default in the payment of any interest upon any Security when such interest becomes due and payable shall be deemed to be a default, under Section 10.01(a) of the Indenture, in the due and punctual payment of a like amount of interest on this Bond, (ii) default in the payment of the principal of (or any premium, if any, on) any Security at the stated maturity thereof or upon redemption thereof shall be deemed to be a default, under Section 10.01(b) of the Indenture, in the due and punctual payment of a like amount of principal of this Bond, (iii) default in the deposit of any sinking fund payment, when and as due by the terms of a Security, shall be deemed to be a default under Section 10.01(d) of the Indenture, (iv) default in the performance, or breach, of any covenant or warranty of the Company as described in Section 601(4) of the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(d) of the Indenture, (v) occurrence of an event described in Section 601(5) of the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(e) of the Indenture, (vi) the occurrence of an event described in Section 601(6) of the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(f) of the Indenture and (vii) occurrence of an event of default provided in an indenture supplemental to the Collateral Trust Indenture shall be deemed to be a default under Section 10.01(d) of the Indenture.

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

This Bond has been issued and delivered to, registered in the name of and pledged with the Indenture Trustee in trust for the ratable benefit of the Holders (as defined in the Collateral Trust Indenture) from time to time of the Outstanding Securities and shall not be sold, assigned, pledged, mortgaged,

transferred or otherwise disposed of except as required to effect (a) an assignment to a successor Indenture Trustee under the Collateral Trust Indenture or (b) a surrender to the Trustee (i) to effect an exchange, in accordance with applicable law, in connection with any Federal or State bankruptcy, insolvency, reorganization or similar proceeding involving the Company, (ii) to effect an exchange by the Company with the Indenture Trustee of any Mortgage Bonds (as defined in the Collateral Trust Indenture) upon payment or deemed payment or other satisfaction and discharge of a portion of any Mortgage Bonds, (iii) to effect a surrender or an exchange of any Mortgage Bonds pursuant to Section 406 of the Collateral Trust Indenture or (iv) to obtain the final payment due on any Mortgage Bonds as required by the terms of the Indenture. Any such transfer or surrender shall be made at the principal corporate trust office in Boston, Massachusetts of the Trustee, upon surrender and cancellation of this Bond. Following any such transfer or such surrender of this Bond in part,

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and unless such transfer or surrender has been made in connection with the satisfaction and discharge of the Collateral Trust Indenture, a new fully registered Bond of the same series for a like principal amount, less the principal amount of this Bond that has been paid, deemed to have been paid or otherwise satisfied and discharged or surrendered for cancellation pursuant to Section 406 or 503 of the Collateral Trust Indenture, will be issued to such transferee in exchange therefor as provided in the Indenture. The Company hereby waives any right to make a charge for such an exchange or transfer of this Bond. The Company and the Trustees may deem and treat the Indenture Trustee as the absolute owner hereof for the purpose of receiving payment and for all other purposes.

The Trustees may conclusively presume that the obligation of the Company to pay the principal of and interest on the Bond of this series as the same shall become due and payable shall have been duly and punctually paid or deemed to have been paid or otherwise satisfied and discharged in full unless and until it shall have received notice in writing to the contrary from the Indenture Trustee, specifying the amount of funds required to make such payment after giving effect to Section 403(a) of the Collateral Trust Indenture.

This Bond shall be redeemable at the option of the Company at any time, but only to the extent that this Bond is (i) a Designated Mortgage Bond which the Company has incurred the obligation under the Collateral Trust Indenture to redeem, or (ii) not a Designated Mortgage Bond, and shall not otherwise be redeemable pursuant to the requirements of the Indenture, except as provided in this paragraph. In case all or substantially all of the electric properties of the Company are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency, the principal of this Bond will, upon receipt by the Company of payment or compensation, become due and payable before maturity at the principal amount thereof and accrued interest thereon, all as provided in said Indenture.

In the event of a redemption in accordance with the provisions of the preceding paragraph, the Indenture Trustee shall forthwith make notation of the principal amount of this Bond so redeemed on the Schedule of Designations and Prepayments printed hereon, and shall promptly notify the Trustee of the amount of such payment and that notation of such payment has been duly made.

The holder of this Bond, pursuant to the terms of Section 402 of the Collateral Trust Indenture, hereby waives its right, pursuant to Section 4.03 of the Indenture, to the deposit of moneys for redemption before the redemption date.

The Company and the Trustee and any paying agent may deem and treat the person in whose name this Bond shall be registered upon the Bond register for the Bonds of the NN Series as the absolute owner of such Bond for the purpose of receiving payment of or on account of the principal of and interest on this Bond and for all other purposes, whether or not this Bond be overdue, and neither the Company nor the Trustee nor any paying agent shall be affected by any notice to the contrary; and all such payments so made to such registered owner or upon his

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order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

Before any transfer of this Bond by the registered holder or his or its legal representative will be recognized or given effect by the Company or the Trustee, the registered holder shall note hereon the date to which interest has been paid as well as the amounts of all principal prepayments hereon, and shall notify the Company and the Trustee of the name and address of the transferee and shall afford the Company and the Trustee the opportunity of verifying the notation as to payment of interest and principal. By the acceptance hereof the holder of this Bond and each transferee shall be deemed to have agreed to indemnify and hold harmless the Company and the Trustee against all losses, claims, damages or liability arising out of any failure on the part of the holder or of any such transferee to comply with the requirements of the preceding sentence.

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

Each registered owner hereof by his acceptance hereof waives any right to exchange any unpaid portion of this Bond for another Bond under Section 4.01 of the Indenture.

This Bond has not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in contravention of said Act.

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

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IN WITNESS WHEREOF, Sierra Pacific Power Company has caused this Bond to be executed in its name and behalf by the manual or facsimile signature of its Senior Vice President, Distribution Services Business Group, and its corporate seal, or a facsimile thereof, to be affixed or printed hereon and attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries.

SIERRA PACIFIC POWER COMPANY

Dated: _____

By: _____

Senior Vice President, Distribution
Services Business Group

Attest:

Secretary

AUTHENTICATION CERTIFICATE

This Bond is the single fully-registered bond of the series designated therein, referred to in the within-mentioned Indenture.

STATE STREET BANK AND TRUST COMPANY
Corporate Trustee

By _____

Authorized Signatory

SCHEDULE OF DESIGNATIONS AND PREPAYMENTS

Date of Designation or Prepayment	Principal Amount Designated as Designated Mortgage Bond	Principal Amount Prepaid of Amount Previously Designated	Total Principal Amount Currently Designated as Designated Mortgage Bonds	Authorized Official and Title
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ARTICLE 2

Principal Amount of Bonds Presently to Be Outstanding

Section 2.01 The total aggregate principal amount of First Mortgage Bonds of the Company issued and outstanding and presently to be issued and outstanding under the provisions of and secured by the Indenture will be Five Hundred Ninety-Nine Million Six Hundred Fifty-one Thousand Eighty Five Dollars and Twelve Cents (\$599,651,085.12) namely Fifteen Million Dollars (\$15,000,000) principal amount of First Mortgage Bonds, 6 1/2% Series due 1997, now issued and outstanding, One Million Eight Hundred Fifty-one Thousand Seven Hundred Sixty-four Dollars and Ninety-one Cents (\$1,851,764.91) principal amount of First Mortgage Bonds, 2% Series due 2011, now issued and outstanding, Three Million Three Hundred Ninety-four Thousand Sixty-three Dollars and Twenty-two Cents (\$3,394,063.22) principal amount of First Mortgage Bonds 5% Series Y due 2024, now issued and outstanding, One Hundred Fifty-five Thousand Two Hundred Fifty-six Dollars and Ninety-nine Cents (\$155,256.99) principal amount of First Mortgage Bonds, 2% Series Z due 2004, now issued and outstanding, Thirty-nine Million Five Hundred Thousand Dollars (\$39,500,000) principal amount of First Mortgage Bonds, 6.55% Series AA due 2013, now issued and outstanding, Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) principal amount of First Mortgage Bonds, 6.65% Series BB due 2017, now issued and outstanding, One Hundred Fifteen Million Dollars (\$115,000,000) principal amount of First Mortgage Bonds, 12% Series CC due 2022, Forty-five Million Dollars (\$45,000,000) principal amount of First Mortgage Bonds, 6.30% Series DD due 2014, now issued and outstanding, Ten Million Two Hundred Fifty Thousand Dollars (\$10,250,000) principal amount of First Mortgage Bonds, 6.30% Series EE due 2022, now issued and outstanding, One Million Dollars (\$1,000,000) principal amount of First Mortgage Bonds, 6.35% Series FF due 2012, now issued and outstanding, Twenty Million Dollars (\$20,000,000) principal amount of First Mortgage Bonds, 6.55% Series GG due 2020, now issued and outstanding, Seventy-Five Million Dollars (\$75,000,000) principal amount of First Mortgage Bonds, 6.65% Series HH due 2017, now issued and outstanding, Twenty-one Million Two Hundred Thousand Dollars (\$21,200,000) principal amount of First Mortgage Bonds, 6.70% Series II due 2032, now issued and outstanding, Nine Million Eight Hundred Thousand Dollars (\$9,800,000) principal amount of First Mortgage Bonds, 5.90% Series JJ due 2023, now issued and outstanding, Thirty

Million Dollars (\$30,000,000) principal amount of First Mortgage Bonds, 5.90% Series KK due 2023, now issued and outstanding, Eighty Million Dollars (\$80,000,000) principal amount of First Mortgage Bonds, 10% Series LL due 2033, now issued and outstanding, Eighty Million Dollars (\$80,000,000) principal amount of First Mortgage Bonds, 9% Series MM due 2035, now issued and outstanding, and Thirty-Five Million Dollars (\$35,000,000) principal amount of First Mortgage Bonds, 9% Series NN due 2037, established by resolution of the Board of Directors and to be issued upon compliance by the Company with the provisions of Article 3 of the Original Indenture.

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ARTICLE 3

Miscellaneous

Section 3.01. This instrument is executed and shall be construed as an indenture supplemental to the Original Indenture, as heretofore supplemented and modified, and shall form a part thereof, and the Original Indenture as so supplemented and modified is hereby confirmed. All terms used in this Thirty-fifth Supplemental Indenture shall be taken to have the same meaning as in the Original Indenture, as heretofore supplemented and modified, except in cases where the context clearly indicates otherwise.

Section 3.02. All recitals in this Supplemental Indenture are made by the Company only and not by the Trustees; and all of the provisions contained in the Original Indenture, as heretofore supplemented and modified, in respect of the rights, privileges, immunities, powers and duties of the Trustees shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

Section 3.03. Although this Supplemental Indenture is dated for convenience and for the purpose of reference as of February 1, 1997, the actual date or dates of execution by the Company and the Trustees are as indicated by their respective acknowledgments hereto annexed.

Section 3.04. In order to facilitate the recording or filing of this Supplemental Indenture, the same may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

Section 3.05. The Company hereby acknowledges receipt from the Trustees of a full, true and complete copy of this Supplemental Indenture.

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IN WITNESS WHEREOF, SIERRA PACIFIC POWER COMPANY has caused this Thirty-fifth Supplemental Indenture to be signed in its corporate name and behalf by its Senior Vice President, Distribution Services Business Group and its corporate seal to be hereunto affixed and attested by its Secretary; and

State Street Bank and Trust Company in token of its acceptance of the trust hereby created has caused this Thirty-fifth Supplemental Indenture to be signed in its corporate name and behalf, and its corporate seal to be hereunto affixed, by its President or one of its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Assistant Secretaries; and Gerald R. Wheeler in token of his acceptance of the trust hereby created has hereunto set his hand and seal, all of as of the day and year first above written.

SIERRA PACIFIC POWER COMPANY

By /s/ Malyn K. Malquist

Senior Vice President, Distribution Services
Business Group

Attest:

/s/ William E. Peterson

(CORPORATE SEAL)

Corporate Secretary

Signed, sealed and delivered on behalf of

SIERRA PACIFIC POWER COMPANY,
in the presence of:

/s/ Jill Nichol

Jill Nichol

STATE STREET BANK AND TRUST COMPANY

By /s/ Brian J. Curtis

Assistant Vice President

Attest:

/s/ Jacqueline Rivera

(CORPORATE SEAL)

Assistant Secretary

Signed, sealed and delivered on behalf of

STATE STREET BANK AND TRUST COMPANY

in the presence of:

/s/ John L. Whitlock

John L. Whitlock

/s/ Gerald R. Wheeler

Gerald R. Wheeler

Signed, sealed and delivered by
Gerald R. Wheeler in the presence of:

/s/ John L. Whitlock

John L. Whitlock

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

On this 13th day of February, 1997, (i) personally appeared before me, a Notary Public in and for the County of Washoe, William E. Peterson, known to me to be the Senior Vice President, Corporate Secretary and General Counsel of Sierra Pacific Power Company, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said corporation, and that the said seal affixed to the said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the corporation executed the said instrument freely and voluntarily and for the purposes and uses therein named; and (ii) also before me personally appeared Malyn K. Malquist and the same William E. Peterson to me personally known, who

EXHIBIT D

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
No. FX ___

CUSIP No. _____

PRINCIPAL AMOUNT
\$** _____ **

SIERRA PACIFIC POWER COMPANY
COLLATERALIZED MEDIUM-TERM NOTE
SERIES D
(Fixed Rate)

ORIGINAL ISSUE DATE:

INTEREST RATE:

STATED MATURITY DATE:

___/___/___

_____ %

___/___/___

INTEREST PAYMENT DATES: 2/1 8/1

INITIAL REDEMPTION
DATE:

INITIAL REDEMPTION
PERCENTAGE:

ANNUAL REDEMPTION
PERCENTAGE REDUCTION:

___/___/___

_____ %

_____ %

OPTIONAL REPAYMENT DATE(S) :

DAY COUNT CONVENTION

- 30/360 FOR THE PERIOD FROM TO
- ACTUAL/360 FOR THE PERIOD FROM TO
- ACTUAL/ACTUAL FOR THE PERIOD FROM TO

ADDENDUM ATTACHED:

- Yes
- No

ORIGINAL ISSUE DISCOUNT:

- Yes
- No

Total Amount of OID:

Yield to Maturity:

Initial Accrual Period:

OTHER PROVISIONS:

Sierra Pacific Power Company, a Nevada corporation ("Issuer" or the "Company," which terms include any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of **_____ MILLION DOLLARS** on the Stated Maturity Date specified above (except to the extent redeemed or repaid prior to the Stated Maturity Date), and to pay interest thereon at the

Interest Rate per annum specified above, until the principal hereof is paid or duly made available for payment. Reference herein to "this Note," "hereof," "herein" and comparable terms shall include an Addendum hereto if an Addendum is specified above.

The Company will pay interest on each Interest Payment Date specified above, commencing on the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Stated Maturity Date or any Redemption Date or Optional Repayment Date (as defined below) (the date of each such Stated Maturity Date, Redemption Date and Optional Repayment Date and the date on which principal or an installment of principal is due

and payable by declaration of acceleration pursuant to the Indenture being referred to hereinafter as a "Maturity" with respect to principal payable on such date); PROVIDED, HOWEVER, that if the Original Issue Date is between a Regular Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date succeeding the Original Issue Date. Except as provided above, interest payments will be made on the Interest Payment Dates shown above. Unless otherwise specified above, the "Regular Record Date" shall be the date 15 calendar days (whether or not a Business Day) prior to the applicable Interest Payment Date. Interest on this Note will accrue from and including the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the Original Issue Date specified above, to, but excluding such Interest Payment Date. If the Maturity or an Interest Payment Date falls on a day which is not a Business Day as defined below, the payment due on such Maturity or Interest Payment Date will be paid on the next succeeding Business Day with the same force and effect as if made on such Maturity or Interest Payment Date, as the case may be, and no interest shall accrue with respect to such payment for the period from and after such Maturity or Interest Payment Date. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will as provided in the Indenture be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such Interest Payment Date. Any such interest which is payable, but not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest"), shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to the Holder of this Note not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

Payment of the principal of and interest on this Note will be made at the Office or Agency of the Company maintained by the Company for such purposes,

in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company, payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register; and PROVIDED, FURTHER, that AT THE OPTION OF THE COMPANY, the Holder of this Note may be entitled to receive payments of principal of and interest on this Note by wire transfer of immediately available funds if appropriate wire transfer instructions have been

received by the Trustee not less than 15 days prior to the applicable payment date.

Unless the certificate of authentication hereon has been executed by or on behalf of Bankers Trust Company, the Trustee for this Note under the Indenture, or its successor thereunder, by the manual signature of one of its authorized officers, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

This Note is one of a duly authorized series of Securities (hereinafter called the "Securities") of the Company designated as its Collateralized Medium-Term Notes (the "Notes"). The Notes are issued and to be issued under a Collateral Trust Indenture dated as of June 1, 1992, as amended and supplemented by the Fourth Supplemental Indenture dated as of February 1, 1997 (herein called the "Indenture") between the Company and Bankers Trust Company, to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Company, the Trustee (as defined below) and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. Bankers Trust Company shall act as Trustee with respect to the Notes (herein called the "Trustee," which term includes any successor Trustee with respect to the Notes, under the Indenture). The terms of individual Notes may vary with respect to interest rates or interest rate formulas, issue dates, maturity, redemption, repayment, currency or payment and otherwise.

Except as otherwise provided in the Indenture, the Notes will be issued in global form only registered in the name of The Depository Trust Company (the "Depository") or its nominee. The Notes will not be issued in definitive form, except as otherwise provided in the Indenture, and ownership of the Notes shall be maintained in book entry form by the Depository for the accounts of participating organizations of the Depository.

This Note is not subject to any sinking fund and, unless otherwise provided above in accordance with the provisions of the following paragraphs, is not redeemable or repayable prior to the Stated Maturity Date.

If so provided above, this Note may be redeemed by the Company on any

date on and after the Initial Redemption Date, if any, specified above. If no Initial Redemption Date is set forth above, this Note may not be redeemed prior to the Stated Maturity Date. On and after the Initial Redemption Date, if any, this Note may be redeemed at any time in whole or from time to time in part in increments of \$1,000 (provided that any remaining principal hereof shall be at least \$1,000) at the option of the Company at the applicable Redemption Price (as defined below), together with accrued interest hereon at the applicable rate

payable to the date of redemption (each such date, a "Redemption Date"), on written notice given not more than 60 nor less than 30 days prior to the Redemption Date. In the event of redemption of this Note in part only, a new Note for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the surrender hereof.

Unless otherwise specified above, the "Redemption Price" shall initially be the Initial Redemption Percentage, specified above, of the principal amount of this Note to be redeemed and shall decline at each anniversary of the Initial Redemption Date, shown above, by the Annual Redemption Percentage Reduction, if any, specified above hereof, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount.

This Note may be subject to repayment at the option of the Holder on any Optional Repayment Date(s), if any, indicated above. If no Optional Repayment Date(s) are set forth above, this Note may not be so repaid at the option of the Holder hereof prior to the Stated Maturity Date. On any Optional Repayment Date, this Note shall be repayable in whole or in part in increments of \$1,000 (provided that any remaining principal hereof shall be at least \$1,000) at the option of the Holder hereof at a repayment price equal to 100% of the principal amount to be repaid, together with interest thereon payable to the date of repayment. For this Note to be repaid in whole or in part at the option of the Holder hereof, this Note must be received, with the form entitled "Option to Elect Repayment" below duly completed, by the Trustee at its Corporate Trust Office, or such address which the Company shall from time to time notify the Holders of the Notes, not more than 60 nor less than 30 days prior to the related Option Repayment Date. Exercise of such repayment option by the Holder hereof shall be irrevocable.

Interest payments on this Note shall include interest accrued from, and including, the Original Issue Date indicated above, or the most recent date to which interest has been paid or duly provided for, to, but excluding, the related Interest Payment Date or Maturity, as the case may be. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months if the Day Count Convention specified above is "30/360" for the period specified thereunder, on the basis of the actual number of days in the related month and a 360-day year if the Day Count Convention

specified above is "Actual/360" for the period specified thereunder or on the basis of the actual number of days in the related year and month if the Day Count Convention specified above is "Actual/Actual" for the period specified thereunder.

As used herein, "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which

banking institutions in The City of New York are authorized or obligated by or pursuant to law or executive order to close.

Any provision contained herein with respect to the calculation of the rate of interest applicable to this Note, its payment dates or any other matter relating hereto may be modified as specified in an Addendum relating hereto if so specified above.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Rights of the Holders of the Securities of each series to be affected thereby at any time by the Company and the Trustee with the consent of the Holders of 66 2/3% in aggregate principal amount of the Outstanding Securities of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written

instrument of transfer in form satisfactory to the Company and the Security Registrar duly elected by, the Holder hereof or by its attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

Upon initial sale, the Notes are issuable only in registered form without coupons in denominations of \$10,000 and integral multiples of \$1,000 in excess thereof. Thereafter, the Notes may be transferred or exchanged, in accordance with the terms of the Indenture, for Notes in integral multiples of \$1,000. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed, manually or in facsimile, and an imprint or facsimile of its corporate seal to be imprinted hereon.

SIERRA PACIFIC POWER COMPANY

By:

Assistant Treasurer

Attest:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION
This is one of the Securities
of the series designated therein
referred to in the within-mentioned
Indenture.

BANKERS TRUST COMPANY,
as Trustee

By: _____ Dated: _____
Authorized Signatory

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this Note (or portion thereof specified below) pursuant to its terms at a price equal to the principal amount hereof together with interest to the repayment date, to the undersigned, at _____

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its Corporate Trust Office, or at such other place or places of which the Company shall from time to time notify the Holder of this Note, not more than 60 nor less than 30 days prior to an Optional Repayment Date, if any, shown on the face of this Note, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of \$1,000) which the Holder elects to have repaid and specify the denomination or denominations (which shall be \$1,000 or an integral multiple thereof) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

\$ _____

NOTICE: The signature on this Option to Elect Repayment must correspond with the name as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

Date: _____

ASSIGNMENT/TRANSFER FORM

FOR VALUE RECEIVED the undersigned registered Holder hereby sell(s), assign(s) and transfer(s) unto _____

(insert Taxpayer Identification No.) _____

(Please print or typewrite name and address including postal zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Note on the books of the Company with full power of substitution in the premises.

Date: _____

NOTICE: The signature of the registered Holder to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatsoever.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM--as tenants in common

UNIF GIFT MIN ACT--.....Custodian.....
(Cust.) (Minor)

Under Uniform Gifts to Minors Act

.....
(State)

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship
and not as tenants in common

Additional abbreviations may also be used though not in the above list.

EXHIBIT E

SIERRA PACIFIC POWER COMPANY
 RATIO OF EARNINGS TO FIXED CHARGES
 (Dollars in Thousands)

<TABLE>
 <CAPTION>

	1991	1992	1993	1994	1995	Twelve Months Ended Nov. 30, 1996
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNINGS						
Income After Interest Charges	\$ 50,224	\$ 49,843	\$ 57,457	\$ 60,863	\$ 65,983	\$ 83,019
Deferral Mechanism Adjustments (1,2)	\$ 0	\$ 1,050	(\$ 409)	\$ 2	(\$ 552)	(\$ 471)
	-----	-----	-----	-----	-----	-----
Adjusted Income	\$ 50,224	\$ 50,893	\$ 57,048	\$ 60,865	\$ 65,431	\$ 82,548

Income Taxes, Operating	24,810	26,029	27,499	29,113	37,370	44,228
Income Taxes, Non-Operating	(390)	(787)	301	751	(231)	(253)
Fixed Charges	(1,2) 46,095	41,975	43,823	43,493	40,326	43,143
	-----	-----	-----	-----	-----	-----
Earnings Available for Fixed Charges	\$120,739	\$118,110	\$128,671	\$134,222	\$142,896	\$169,666
	-----	-----	-----	-----	-----	-----
FIXED CHARGES						
Interest on Long-Term Debt	\$ 39,331	\$ 37,184	\$ 39,091	\$ 35,193	\$ 35,326	\$ 38,055
Deferral Mechanism Adjustments (1)	\$ 0	(\$ 980)	\$ 459	\$ 52	\$ 554	\$ 414
	-----	-----	-----	-----	-----	-----
Adjusted Interest	\$ 39,331	\$ 36,204	\$ 39,550	\$ 35,245	\$ 35,880	\$ 38,469
Amortization of Debt Discount and Expense, Less Premium	549	680	1,001	1,247	1,225	1,285
Other Interest Expense	3,482	2,528	822	4,588	556	1,250
Deferral Mechanism Adjustments (2)	0	(70)	(50)	(54)	(2)	(57)
	-----	-----	-----	-----	-----	-----
Adjusted Interest	3,482	2,458	772	4,534	554	1,307
Interest Component of all Rental Charges	2,733	2,633	2,500	2,467	2,667	2,082
	-----	-----	-----	-----	-----	-----
Total Fixed Charges	\$ 46,095	\$ 41,975	\$ 43,823	\$ 43,493	\$ 40,326	\$ 43,143
	-----	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----	-----
RATIO OF EARNINGS						
TO FIXED CHARGES	2.62	2.81	2.94	3.09	3.54	3.93
	----	----	----	----	----	----
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</TABLE>

(1) Adjusted for the deferral portion of the variable rate interest deferral mechanism (Bal. 427-080).

(2) Adjusted for the carrying charges on the variable rate interest deferral mechanism (Bal. 431-080).