

SERVICE AGREEMENT FOR LONG-TERM

FIRM POINT TO POINT

TRANSMISSION SERVICE

BETWEEN

NEVADA POWER COMPANY

(Transmission Provider)

AND

CALPINE CORPORATION

(Transmission Customer)

DATED: September 28, 2007

**Service Agreement For
Firm Point-to-Point Transmission Service**

- 1.0 This Service Agreement, dated as of September 28, 2007, is entered into, by and between Nevada Power Company ("Transmission Provider"), and Calpine Corporation ("Transmission Customer"). This Service Agreement is intended to implement the terms of the "Stipulation and Agreed Order Resolving Claims Between Calpine Corporation, Nevada Power Company, Sierra Pacific Power Company and Fireman's Fund Insurance Company," dated September 19, 2007.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-to-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider a prepayment for transmission service that satisfies the requirement for an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, (3) issuance of the order by the Commission to Transmission Provider to provide transmission service pursuant to Section 211 of the Federal Power Act, or (4) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-to-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Chris Tomchuk, Manager, Transmission Business Development & Contracts
Sierra Pacific/Nevada Power Company
6100 Neil Road M/S S3B40
Reno, Nevada 89520
Phone: (775) 834-5678 Fax: (775) 834-3047
Email: ctomchuk@sppc.com

With a copy to:

Rich Salgo, Director, Electric System Control Operations
Sierra Pacific Power Company
6100 Neil Road M/S S3B40
Reno, Nevada 89520
Phone: (775) 834-5874 Fax: (775) 834-3047
Email: rsalgo@sppc.com

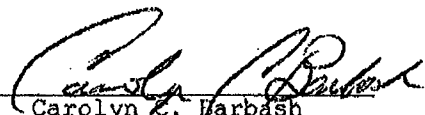
Point to Point Customer:

Calpine Corporation
Kris Zadlo, VP, Transmission
717 Texas Avenue, Suite 1000
Houston, TX 77002

7.0 The Tariff is incorporated herein and made a part hereof.

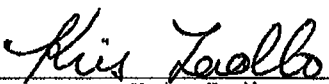
IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: 
Carolyn C. Barbash Executive, Transmission

9-27-07
Date

Transmission Customer:

By: 
Kris Zadlo VP, Transmission

9/27/07
Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: January 1, 2008 to the date Calpine's \$18,000,000
prepayment is depleted for monthly payment of
Schedules 1, 2, and 7.

Start Date: January 1, 2008

Termination Date: The date Calpine's \$18,000,000 prepayment is depleted.

2.0 Description of capacity and energy to be transmitted by Transmission
Provider including the electric Control Area in which the transaction
originates.

400 MW from Harry Allen 500 kV Substation in Nevada Power Company's
Control Area to Mead 230 kV Substation.

3.0 Point of Receipt Delivering Party

Harry Allen 500 kV Substation Calpine Corporation

4.0 Point of Delivery Receiving Party

Mead 230 kV Substation Market

5.0 Maximum amount of capacity and energy to be transmitted (Reserved
Capacity): 400 MW

6.0 Designation of party(ies) subject to reciprocal service obligation:
Calpine Corporation and its affiliates

7.0 Name(s) of any Intervening Systems providing transmission service: None

8.0 Service under this Service Agreement may be subject to some combination
of the charges detailed below. (The appropriate charges for individual
transactions will be determined in accordance with the terms and
conditions of the Tariff.)

(1) Monthly Demand Charges: Zone B Schedule 7 of the Tariff (to be
paid for from prepayment).

(2) Facilities Study Charge: Not Applicable - A study was completed
for Calpine in the past.

- (3) Direct Assignment Facilities Charge: Not Applicable
- (4) Ancillary Services:
- (a) Scheduling System, Control and Dispatch Service:
Zone B Schedule 1 of the Tariff (to be paid for from prepayment).
 - (b) Reactive Supply and Voltage Control from Generation or Other Service: Zone B Schedule 2 of the Tariff (to be paid for from prepayment).
 - (c) Regulation and Frequency Response Service:
If the transmission service is used to serve load with Transmission Provider's control area, Transmission Customer must either purchase from the Transmission Provider pursuant to Zone B Schedule 3 of the Tariff or make alternative comparable arrangements (not paid for from prepayment).
 - (d) Imbalance Service:
Transmission Customer must either purchase from the Transmission Provider pursuant to Zone B Schedule 4 (for loads) or Schedule 9 (for generators) of the Tariff or make alternative comparable arrangements (not paid for from prepayment).
 - (e) Operating Reserve - Spinning Reserve Service:
If the transmission service is used to serve load with Transmission Provider's control area, Transmission Customer must either purchase from the Transmission Provider pursuant to Zone B Schedule 5 of the Tariff or make alternative comparable arrangements (not paid for from prepayment).
 - (f) Operating Reserve - Supplemental Reserve Service:
If the transmission service is used to serve load with Transmission Provider's control area, Transmission Customer must either purchase from the Transmission Provider pursuant to Zone B Schedule 6 of the Tariff or make alternative comparable arrangements (not paid for from prepayment).
 - (g) Loss Compensation Service:
Zone B Schedule 10 of the Tariff (not paid for from prepayment). Customer has the right to change its election by providing written notice to the Transmission Provider per the terms and conditions of the Tariff and the Transmission Provider's business practices.
- (5) Power Factor Requirements: Not Applicable