

## NAVAJO GENERATING STATION NON-US OWNERS STATEMENT OF POSITION

The United States of America (US), Arizona Public Service Company (Arizona), Nevada Power Company (Nevada), Salt River Project Agricultural Improvement and Power District (SRP), and Tucson Electric Power Company (Tucson) (collectively, the Participants) have agreed that they may operate the Navajo Project through December 22, 2019, provided certain conditions are met.

Although Arizona, Nevada, SRP and Tucson (collectively, the Non-US Owners) are willing to operate the Navajo Generating Station through December 22, 2019, the Non-US Owners do not currently intend to operate the Navajo Generating Station past the current term of the Lease with the Navajo Nation, which ends December 22, 2019. For the Non-US Owners to continue operating the Navajo Generating Station through the current Lease term, the Non-US Owners will have agreed to all necessary agreements with the Navajo Nation no later than July 1, 2017 and received subsequent approvals.

In support of the Federal approval process and to ensure compliance with the Lease, by December 22, 2018, either: (i) the Participants will have reached agreement and received all approvals necessary to transfer ownership and operation of the Navajo Generating Station to the Navajo Nation or another party or parties (which may include one or more of the Participants) interested in acquiring and operating the Navajo Generating Station, or (ii) the Participants will have extended the Lease and will commence or will have commenced post-closure activities, including decommissioning, demolition, removal, restoration, remediation and monitoring.

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SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

Approved:

Date: 2-13-2017

By: W. H. R. All  
Coordinating Committee Representative

ARIZONA PUBLIC SERVICE COMPANY

Approved:

Date: 2-13-2017

By: Qu A. Han  
Coordinating Committee Representative

TUCSON ELECTRIC POWER COMPANY

Approved:

Date: 2-13-2017

By: W. C. M. J.  
Coordinating Committee Representative

NEVADA POWER COMPANY

Approved:

Date: February 13, 2017

By: K. J. O.  
Coordinating Committee Representative