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From: "Garcia, Tony" <TGarcia@nvenergy.com>
To: Angela Nance <angelanance@utah.gov>
Date: 7/7/2009 11:49 AM
Subject: RE: FW: NEICO BOND
Attachments: NEICO Relcamation Bond Filing w-State of Utah 5-20-09.pdf

Hi Angela,

In follow up to the voicemail I left you earlier today.....

The original signed "Exhibit D" will be sent to your attention via FedEx today.

Regarding your attached "Affidavit of Qualification - Permittee" form needing Roberto's signature. The original was sent to you attached with my May 20, 2009 letter. I've attached a scanned copy of my May 20, 2009 letter for your reference. Can you please look at what I sent you to confirm "Exhibit D" is not attached? If not, let me know and I will track Roberto down and have him sign again.

If you have any questions, please give me a call.

Tony D. Garcia, C.E.M. | Manager, Environmental Services
NV Energy, Inc. | 6226 W. Sahara Ave. M/S 30 | Las Vegas, NV 89146
Office 702.402.5767 | TGarcia@NVEnergy.com | Fax 702.402.2051

"Rangers" - Diversity Champion
"Teamwork Checkmates Talent"

-----Original Message-----

From: Angela Nance [mailto:angelanance@utah.gov]
Sent: Wednesday, July 01, 2009 7:54 AM
To: Garcia, Tony
Subject: Re: FW: NEICO BOND

Hi Tony,

Thank you for your response and for answering my question. I will begin processing the documents. Will you please mail me the signed original Exhibit "D" and an Affidavit of Qualification for Roberto (attached)?

Thank you!
Angela Nance
Bond Coordinator
angelanance@utah.gov

>>> "Garcia, Tony" <TGarcia@nvenergy.com> 6/25/2009 5:48 PM >>>
Angela,

Sorry for the delay in returning this information to you.

Attached please find the signed Exhibit "D" and an explanation to your question (below and attached) regarding the bond amount discrepancy you noted in your original e-mail (also below).

If you have any questions, give me a call.

Tony D. Garcia, C.E.M. | Manager, Environmental Services NV Energy, Inc. | 6226 W. Sahara Ave. M/S 30
| Las Vegas, NV 89146 Office 702.402.5767 |
TGarcia@NVEnergy.com | <mailto:TGarcia@NVEnergy.com> Fax 702.402.2051

"Rangers" - Diversity Champion
"Teamwork Checkmates Talent"

From: Moody, Lauren
Sent: Wednesday, May 27, 2009 2:37 PM
To: Garcia, Tony
Cc: Vo, Angela; Brown, Sarah
Subject: FW: NEICO BOND
Importance: High

Tony,

Please see the below answer to your question from the State of Utah. Please let me know if the State needs to talk with our Bond agent (Willis) or the Bonding company (Bond Safeguard) and I can set up a meeting.

Thanks,
Lauren Moody | Analyst, Risk Control
NV Energy, Inc. | 6226 W. Sahara Ave. M/S 9A | Las Vegas, NV 89146
702.402.5021 | lmoody@nvenergy.com | fax 702.702.5342 [cid:image001.gif@01C9DED8.8E5DE470]

From: Jensen, David [mailto:david.jensen@willis.com]
Sent: Wednesday, May 27, 2009 2:30 PM
To: Moody, Lauren
Cc: Baich, Brandy
Subject: FW: NEICO BOND
Importance: High

Lauren I have attached the response from Bond Safeguard addressing the Treasury-listing amount for Bond Safeguard and the amount of the bond. The practice of providing reinsurance from one insurance company to another to increase the T-listing is very common, especially in the case of bonds written close to \$1 billion. Let me know if the State of Utah would like to discuss this matter with me or Bond Safeguard to resolve this question.

Thanks,
David G. Jensen
Senior Vice President
Willis of Arizona, Inc.
Tel: 602-787-6022
Fax: 602-787-6108
Cell: 602-370-2334

From: Baich, Brandy
Sent: Tuesday, May 26, 2009 3:20 PM
To: Jensen, David
Subject: NEICO BOND
Importance: High

Dave,

See below on NEICO bond. Looks like they are questioning Bond Safeguard's Treasury underwriting limitation.

Brandy Baich | Assistant Vice President - Surety [cid:536101922@26052009-14A0]

| Direct 602.787.6004 | Fax 602.787.6108 | Toll Free 800.933.6385 |
Willis of Arizona, Inc. | 11201 N. Tatum Blvd. #300, Phoenix, AZ 85028 www.willis.com |
brandy.baich@willis.com

From: Moody, Lauren [mailto:LMoody@nvenergy.com]
Sent: Tuesday, May 26, 2009 3:17 PM
To: Baich, Brandy
Subject: FW: Wellington Bond Transfer

Brandy,

Can you help me with the below bolded text? I am not sure about this in regards to the Safeguard NEICO Bond.

Thanks,

Lauren Moody | Analyst, Risk Control

NV Energy, Inc. | 6226 W. Sahara Ave. M/S 9A | Las Vegas, NV 89146

702.402.5021 | lmoody@nvenergy.com | fax 702.702.5342

-----Original Message-----

From: Garcia, Tony
Sent: Tuesday, May 26, 2009 2:40 PM
To: Moody, Lauren
Cc: Trautmann, Susan
Subject: FW: Wellington Bond Transfer

Lauren,

To answer your earlier question - yes, the State of Utah has received our new bond agreement paperwork.

But - as you read below, they have some questions.

I have filled in the information for the attached, but I can't answer the question about \$\$ limitations being different - can you please follow up and let me know.

Please obtain appropriate signatures on the attached and forward back to me for submittal to the State of Utah accordingly.

Thx.

Tony D. Garcia, C.E.M. | Manager, Environmental Services

NV Energy, Inc. | 6226 W. Sahara Ave. M/S 30 | Las Vegas, NV 89146

Office 702.402.5767 | TGarcia@NVEnergy.com | Fax 702.402.2051

"Rangers" - Diversity Champion

"Teamwork Checkmates Talent"

-----Original Message-----

From: Angela Nance [mailto:angelanance@utah.gov]

Sent: Tuesday, May 26, 2009 2:31 PM

To: Garcia, Tony

Subject: Wellington Bond Transfer

Hi Tony,

I received several documents for the transfer of the Wellington Preparation Plant bond from Fidelity and Deposit Company of Maryland to Bond Safeguard Insurance Company. The letter indicates that enclosed is a signed "Stipulation to Revise Reclamation Agreement" - this document was not included in the packet I received in the mail. I did receive all of the proper Affidavits of Qualification, Power of Attorney and new Bond Agreement - thank you for these documents.

Will you please complete the attached Exhibit "D" - Stipulation to Revise Reclamation Agreement and return to me as soon as possible so that I can continue to process this transfer.

Also, according to the Department of the Treasury - Bond Safeguard Insurance Company's underwriting limitation is \$1,866,000. According to the Power of Attorney form the authorized amount is \$6M. Do you know why there is a discrepancy?

Thank you,

Angela Nance

Bond Coordinator

angelanance@utah.gov

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May 20, 2009

Ms. Angela Nance
State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

**RE: Nevada Electric Investment Company (NEICO)
Wellington Preparation Plant – Revised Reclamation Bond**

Dear Ms. Nance,

Enclosed please find a signed "*Stipulation to Revise Reclamation Agreement*" for the Nevada Electric Investment Company's (NEICO), Wellington Preparation Plant (Permit No. ACT/007/012).

This submittal is to document the policy transfer from Fidelity and Deposit Company of Maryland filed with your office in a letter dated October 21, 2008 to Bond Safeguard Insurance Company.

Also enclosed are signed copies of the following:

- 1) Affidavit of Qualification – Permittee
- 2) Affidavit of Qualification – Surety Company
- 3) Surety Bond Rider – from Bond Safeguard Insurance Company
- 4) Surety Power of Attorney – from Bond Safeguard Insurance Company

If you have any questions, please contact me directly at 702-402-5767.

Sincerely,

A handwritten signature in cursive script that reads "Tony D. Garcia".

Tony D. Garcia, C.E.M.
Manager, Environmental Services
Nevada Power Company d/b/a NV Energy

cc: NEICO File
K. Cresto

**AFFIDAVITS
OF
QUALIFICATION**

Bond Number: 5035659

EXHIBIT "B"
SURETY BOND
(NON-FEDERAL COAL)
--ooOOoo--

This **SURETY BOND** entered into by and between the undersigned **PERMITTEE/PRINCIPAL** Nevada Electric Investment Company, and **SURETY Bond** Safeguard Insurance Company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas & Mining (**DIVISION**) in the penal sum of (\$5,153,000.00) Five Million One Hundred Fifty-Three Thousand and NO/100 Dollars (\$) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of the Reclamation Agreement.

This **SURETY BOND** will remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, the approved permit, and the **DIVISION**.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** from all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL** and to the **DIVISION** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirement which could result in suspension or revocation of the **SURETY'S** license.

Terms for release or adjustment of the **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set it's signature and seal this 4th day of May, 2009.

Nevada Electric Investment
Company

PERMITTEE/PRINCIPAL


By:

PRESIDENT OF NEICO
Title:

Bond Number: 5035659

IN WITNESS WHEREOF, the SURETY has hereto set it's signature and seal
this 16th day of April, 2009.

Bond Safeguard Insurance
Company

SURETY

By: 

David G. Jensen
Attorney-in-Fact
Title:

ACCEPTED BY THE STATE OF UTAH:

Director,
Division of Oil, Gas & Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE/PRINCIPAL** is a corporation, the Agreement shall be executed by it's duly authorized officer.

Bond Number 5035659

POWER OF ATTORNEY

AO 30611

POWER OF ATTORNEY
Bond Safeguard INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS, that **BOND SAFEGUARD INSURANCE COMPANY**, an Illinois Corporation with its principal office in Lombard, Illinois, does hereby constitute and appoint: David G. Jensen, Maryann Carafello, *****
Brandy L. Baich, Ethan Mitchell Baker *****

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surely, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **BOND SAFEGUARD INSURANCE COMPANY** on the 7th day of November, 2001 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond, \$ 6,000,000.00 Six million dollars *****

which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **BOND SAFEGUARD INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate seal to be affixed this 7th day of November, 2001.



BOND SAFEGUARD INSURANCE COMPANY

BY *David E. Campbell*
David E. Campbell
President

ACKNOWLEDGEMENT

On this 7th day of November, 2001, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **BOND SAFEGUARD INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/09

Maureen K. Aye
Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of **BOND SAFEGUARD INSURANCE COMPANY**, An Illinois Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Lombard, Illinois this 16th Day of April, 20 09



Donald D. Buchanan
Donald D. Buchanan
Secretary