

## DCA Program (southern Nevada)

NV Energy's DCA Program (Developer Contracts Administrative Program) gives residential developers in southern Nevada the option of hiring a qualified contractor in place of NV Energy to install underground electric distribution facilities on their residential subdivisions, custom homes, apartments, condominiums, mobile homes and multi-family homes. The program allows for the use of qualified contractors to install these facilities for a developer rather than NV Energy. A contractor who bids to participate in the program and is qualified to do so is called a DCA Contractor.

The purpose of the DCA Program is to provide developers additional resources for the installation of electric facilities as part of the electric line extension process. Developers construct their projects under tight deadlines. Recognizing that, especially during periods of heavy development, NV Energy is not always able to perform an installation of underground electric facilities as soon as the developer would like, NV Energy developed the DCA program to provide developers additional options. Using a DCA contractor is an option for developers; developers are not required to do so.

Under Section A.12 of Rule 9, a line extension applicant is required to install underground conduit in which electric cable is subsequently installed, perform the trenching and backfill required to install the conduit, and install risers, transformer pads, electric vaults, enclosures and boxes. While all of these facilities are needed for the installation of electric facilities, they are not electric facilities that require an electrician license and that will subsequently be energized.

In contrast, a DCA contractor can also install electric facilities - single phase primary cable, secondary and service cable; and single-phase pad-mounted transformers – and perform termination of 600 volt services at junction boxes and non-energized customer panels.

The rules governing the DCA Program are specified in Section A.14 of NV Energy's Tariff Rule 9. A DCA contractor installs electric facilities that will subsequently be energized by NV Energy. For this reason, NV Energy requires that contractors that desire to act as DCA contractors demonstrate and maintain required professional licenses, trained personnel, technical skill, equipment and facilities, safety practices and quality control programs, in order to ensure that they are carefully qualified to perform that electrical work.

## The Administrative Structure of the DCA Program

Under the DCA Program, a contractor that qualifies to be a DCA Contractor signs a contract with NV Energy in which the DCA contractor is authorized to perform listed functions, agrees to be paid by NV Energy the rates that are set out in the DCA Contract, and agrees to maintain its qualifications. All DCA Contractors are paid the same rates by NV Energy.

Second, the developer may enter into a contract with the DCA Contractor selected by the developer. NV Energy is not a party to that contract. That contract may provide for the DCA Contractor to perform work for the developer in addition to the DCA Program work. One of the benefits the DCA Program provides developers is that it makes it possible for the developer to retain a single contractor to perform both the trenching work for installation of conduits and concrete pads and the subsequent installation of cable and transformers.

Third, the developer and NV Energy enter into a DCA Program Contract, which specifies the responsibilities of each with respect to the developer's use of a DCA contractor. One of the developer's responsibilities is supervising the DCA contractor in its performance of the work that is covered by Section A.14.c.2(a) of Rule 9.

The DCA Program Contract is in addition to the applicable Rule 9 line extension agreement the developer executes, which for a residential subdivision is typically a standard project Line Extension Agreement. Prior to construction, the developer will also sign a DCA Contractor Order in which the developer selects the DCA contractor of its choice.

The DCA Program is structured to give the developer the ability to negotiate the terms under which the work will be performed with the DCA contractor. The developer works directly with its selected DCA contractor to schedule and perform the work and obtain NV Energy acceptance of the work. Work volume, wait times, cycle times and all other terms governing the timing of the work the DCA contractor is to perform for the developer are terms that are negotiated between the DCA contractor and the developer.

NV Energy pays the DCA contractor for the work the DCA contractor performs on the installation of the electric facilities. The payments NV Energy makes to the DCA contractor are part of the total cost of the line extension project that is paid by the developer, subject to possible offset for Rule 9 up-front allowances and subsequent refunds based on Rule 9. All DCA contractor work is performed prior to the energization of the facilities.