

From: Charles H. McCrea (CHM)
To: JLS
Date: Tuesday, February 18, 1992 3:03 pm
Subject: Nevada Power Meeting -Reply

Janet: Please give copies of this to Randall and Will.

I spoke with Steve Banzhaf, an attorney friend of mine in Tucson who formerly was general counsel for Tucson Electric Power Company (TEP) and whose practice is about 70% TEP work. He is unreservedly enthusiastic about Nevada Power v. Monsanto, he will review it and unless something quite unexpected occurs, wants to present it to TEP with the recommendation that they bring suit.

There is even better news. Steve informs me that Arizona's discovery rule on fraud is like Nevada's in that the statute of limitations begins to run on the date the injured party knew or reasonably could have found out that he had become the victim of fraud. Better yet, the statute is SIX YEARS. This leaves plenty of time for Arizona Public Service Company (which I contacted to no avail in the summer of 1988) to still get on board (but I will not contact APS again until I see what TEP elects to do).

Nevada Power has an estimated \$8+ million in damages. TEP is about the same size as Nevada Power; APS is three or four times as large. Both companies are in dire financial straits and anything that would improve their images with the Arizona Corporations Commission would be a godsend to them. And best of all, both are conveniently located in the 9th Circuit..