

LAW OFFICES

JONES, JONES, CLOSE & BROWN
CHARTERED

A PROFESSIONAL CORPORATION
SEVENTH FLOOR - VALLEY BANK PLAZA
300 SOUTH FOURTH STREET
LAS VEGAS, NEVADA 89101-8020

TELEPHONE
702-384-4000
TELECOPIER
702-384-2200
(702) 382-0086

CLIFFORD A. JONES
HERBERT M. JONES
WELYN D. CLOSE
JOSEPH W. BROWN
GARY R. GOODHART
MICHAEL E. BUCKLEY
WILL KEMP
KIRK R. HARRISON
DOUGLAS G. CROSBY
RICHARD E. JOST
J. RANDALL JONES
CHARLES H. MCCREA, SR.
WILLIAM A. PREZANT
ROBERT D. MARTIN
DOUGLAS M. COHEN

JOHN E. LEATH
KEVIN R. STOLARZ
BRUCE E. HOLTZ
MARY LERIST
RICHARD F. HOLLEY
PATRICIA J. CURTIS
PAUL A. LEMCKE
NIK SKRINJARIC
JAMES W. ERBECK
STEPHEN M. RICE

OF COUNSEL
LYLE RIVERA
JANET L. CHUBB

May 9, 1989

VIA FEDERAL EXPRESS

Thomas E. Kotowske, Esq.
540 University Avenue
Third Floor
Palo Alto, CA 94301

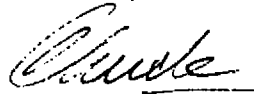
Re: Nevada Power Company

Dear Tom:

Enclosed herewith is a letter from John McCarthy regarding the costs of changing out PCB filled capacitor banks, together with supporting data.

Sincerely yours,

JONES, JONES, CLOSE
& BROWN, CHARTERED



Charles H. McCrea, Sr.

CHM:dlt:0767H

Enclsoure

RENO OFFICE: 1 EAST LIBERTY, SUITE 614 • RENO, NEVADA 89501-2110
TELEPHONE (702) 348-0880 TELECOPIER (702) 786-1354

RENO BANKRUPTCY DEPARTMENT: 290 SOUTH ARLINGTON, SUITE 100 • RENO, NEVADA 89501
TELEPHONE (702) 322-3811 TELECOPIER (702) 322-3649

NEVADA POWER COMPANY

May 9, 1989

Mr. Charles McCrea
Attorney at Law
300 S. 4th St
Las Vegas, NV 89101

JOHN C. McCARTHY
Vice President and
Manager of Administrative
Services

Dear Chuck,

* Attached are the records of PCB filled capacitor banks which have been removed from our system. The total number of banks is 606. It takes a three man crew consisting of a working foreman, a lineman, and a clerk driver an average of four hours to change a capacitor bank out. The labor costs are computed as follows:

<u>Class</u>	<u>Rate of Pay</u>
Working Foreman	\$20.50/hr.
Lineman	18.64/hr.
Clerk Driver	<u>13.66/hr.</u>
Total/Hr.	\$52.80/hr.

$\$52.80 \times 4 \text{ Hr.} = \$211.20 \text{ Direct Labor Cost}$

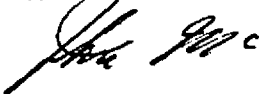
Payroll Loadings

FICA	.0850%
Nevada Unemployment Tax	.0012%
Federal Unemployment Tax	.0018%
SIIS	.0170%
Vacation & Holiday	.1100%
Sick Pay	.0270%
Bodily Injury & Property Damage	<u>.0330%</u>
Total	27.5%

$\$211.20 \times 27.5\% = \58.08

$(\$211.20 + \$58.08) \times 606 = \$163,183.68$

Please excuse the delays, but due to some of our old record keeping practices, a considerable amount of manual research is required to obtain the information.



JCM/ct

6226 WEST SAHARA AVE. • P.O. BOX 230 • LAS VEGAS, NEVADA 89151 • 702/367-5000

** Originals of enclosures sent to Tom Kotarke without copying.*