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April 21, 1992

Richard L. Hinkley, Esq.  
Vice President Secretary and  
Chief Counsel  
Nevada Power Company  
6226 West Sahara Avenue  
P.O. Box 230  
Las Vegas, Nevada 89151

Re: Nevada Power Company v. Monsanto Company, et al

Dear Richard:

Now that the Ninth Circuit has finally disposed of the Defendant's Petition For Rehearing, this matter is headed for settlement or trial on the merits, and in either case it is important that Nevada Power be able to quantify its damages as comprehensively as possible. We have spoken of this before, but following are some of the expenses that would properly be cognizable in determining Nevada Power's special damages:

1) Investigations, both of plant and field records to ascertain locations of PCB equipment and PCB contaminated equipment.

2) Testing, re-testing and monitoring of equipment that was formerly PCB or PCB contaminated, but which has been retrofitted or rehabilitated.

3) Retrofilling PCB and PCB contaminated equipment.

4) Removal of PCB and PCB contaminated equipment.

5) Replacement of PCB and PCB contaminated equipment, including costs of new equipment.

6) Transportation of PCB and PCB contaminated equipment.

7) Storage of PCB and PCB contaminated equipment.

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Richard L. Hinkley, Esq.  
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8) Disposal of PCB and PCB contaminated equipment.

9) Any and all costs incurred in complying with EPA regulations relating to PCB's (Nevada Power would have no such costs had it not purchased any PCB contaminated equipment).

10) Record keeping required by any of the foregoing.

11) Costs of programs undertaken to educate, inform, and protect employees and/or the public with respect to PCB hazards (Nevada Power would have no such costs had it not purchased any PCB contaminated equipment).

12) All costs and expenses incurred to date in prosecuting this case.

The more detail that can be supplied for the purposes of (i) identifying (by date of installation and serial number if possible) the equipment changed out, and (ii) the cost of replacement equipment, the better.

I believe we can now expect the pace to pick up appreciably; in fact, we intend to pick it up. Also, the prospects of recovery are of course greatly enhanced by the Ninth Circuit's Opinion, Amended Opinion and refusal to rehear. I think Nevada Power will be well rewarded for whatever effort it now makes to quantify its damages, comprehensively and in detail.

Very truly yours,

JONES, JONES, CLOSE  
& BROWN, CHARTERED



Charles H. McCrea, Sr.

CHM:jjk

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FROM: Charlie McPhee

CLIENT/MATTER: Arvada Power / Mirasanta

CLIENT/MATTER NO.: 11927.2

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