

ECONOMIC & POLICY ANALYSIS, INC.

13300 Council Bluff Drive
Austin, Texas 78727

RECEIVED AUG - 4 1993

Roberta J. Straub
Bradley & Merrell
c/o Jones, Jones, Close & Brown
300 South Fourth Street, Seventh Floor
Las Vegas, Nevada 89101-6026

Dear Ms. Straub:

Enclosed is an executed copy of the Retainer Agreement between Nevada Power Company and Economic & Policy Analysis, Inc. (EPA).

As I indicated in telephone conversations with Ms. Mailander last week, this would be an opportune time to arrange a meeting with Nevada Power Company personnel for the purpose of (a) discussing the appropriate framework for the quantification of damages, (b) determining the status of input data required for the quantification of damages, and (c) determining the most efficient division of analytical workload between Nevada Power personnel and EPA.

At this time, I have no hearings or meetings scheduled during the week of August 9th. Please contact me at your earliest convenience regarding the availability of the Nevada Power personnel with whom I would need to meet.

Sincerely,



Steven Andersen

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NEVADA POWER COMPANY v. MONSANTO COMPANY, ET AL.
CONSULTING AGREEMENT

This agreement is by and between Nevada Power Company ("Nevada Power") and Economic Policy & Analysis, Inc., by Dr. Steven Anderson. It concerns the matter of Nevada Power Company v. Monsanto Company, et al., USDC, District of Nevada, Case CV-S-89-555-LDG-LRL.

Economic Policy & Analysis, Inc. employs Dr. Steven Anderson; Nevada Power desires to retain the services of Dr. Anderson as an expert in the correct method of measuring the damages Nevada Power suffered when it purchased electrical equipment containing PCBs from the defendants Monsanto Company, General Electric Corporation and Westinghouse Electric Company.

Therefore, it is agreed to by the parties that:

1. Consulting Services

Economic Policy & Analysis, Inc. agrees to provide consulting and other services regarding the measurement of damages, and to provide all services which are incidental to and in conjunction with this field.

2. Independent Status

Nothing in this Agreement shall be considered to create the relationship of employer and employee between Nevada Power and Economic Policy & Analysis, Inc. Economic Policy & Analysis at all times shall be deemed an independent contractor.

3. Fee Schedule

Nevada Power agrees to pay Economic Policy & Analysis, Inc. in accordance with the following fee schedule:

- | | | |
|----|--|----------|
| a. | Required Retainer | \$10,000 |
| b. | Services per hour to
bill at after depletion of
retainer | \$105/hr |

"Services" shall include internal office expenses, research, review and analysis of relevant material regarding measurement of damages, personal or telephonic conferences and consultation and/or preparation of reports. It shall also include time spent testifying at deposition and in trial.

- b. External office expenses To be billed separately to Nevada Power

"External office expenses" shall include costs for copying sent out to copy centers, express mail delivery charges, etc. Internal office expenses shall be borne by Economic Policy & Analysis.

- c. Travel expenses To be billed separately to Nevada Power or arranged by Nevada Power

This covers expenses generated in long distance travelling to or from sites for meetings, conferences, depositions, hearings or trial. All air travel will be by regular coach class unless no other accomodations are available.

The above fee schedule shall not be changed or amended without the agreement in writing of both parties.

4. If in any one month Economic Policy & Analysis, Inc. expects to charge Nevada Power \$5,000 or more, it must submit an itemized estimate of the charges in writing for prior approval by Nevada Power.

5. Economic Policy & Analysis, Inc. will send a monthly billing statement to Nevada Power reflecting all services, fees and expenses.

6. Due to the size and nature of this litigation, if for any reason Economic Policy & Analysis, Inc. is not able to continue as a consultant on this case, it must give Nevada Power Company at least thirty (30) days' notice. The notice shall be in writing and sent via certified mail to:

Paul E. Merrell, Esq.
300 S. Fourth St., 7th Floor
700 Bank of America Plaza
Las Vegas, Nevada 89101-6026

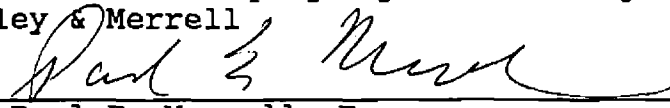
7. It is understood that Economic Policy & Analysis, Inc. will undertake efforts on behalf of Nevada Power only as requested.

8. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof. Any amendment or modification must be in writing and signed by both parties.

9. This Agreement is hereby signed and executed by:

Nevada Power Company by and through its attorneys,
Bradley & Merrell

By:


Paul E. Merrell, Esq.

Date:

7/30/93

Economic Policy & Analysis, Inc.

By:


Steven Anderson, Ph.D.

Date:

8/3/93