

MEMORANDUM

TO: FILE

FROM: CHARLES H. McCREA, SR. 

RE: NEVADA POWER COMPANY--PCB CHANGE OUTS: 11927.2

DATE: MAY 3, 1989

Tom Kotoske called. He has met with Manny Neal (counsel for General Electric) on a different case, but they discussed this one.

Kotoske informed Neal that he (Kotoske) would make a demand upon General Electric for approximately \$9,000,000 in damages relating to Nevada Power's change out of PCB equipment, and that the damage total would include (i) cost of all equipment changed out, (ii) disposal costs, plus (iii) all labor costs.

Neal noted that some of the equipment which Nevada Power has changed out technically is not "PCB" equipment, in that it does not utilize dielectric fluids containing more than 500 ppm of PCBs. Rather, it is "PCB contaminated" equipment (50 to 500 ppm of PCBs) which Nevada Power is not by law required to change out. Neal said that he would deduct from our demand all costs associated with PCB contaminated equipment and a small number of items which were not even "PCB contaminated."

Kotoske also told Neal that since there is no tolling agreement in this case, if it isn't settled by July 1, we intend to file suit.

I told Kotoske that I had spoken several times with John McCarthy at Nevada Power and that I expected to receive today a communication from him breaking out the labor costs associated with the change outs.

0758H