G.L. Pat Ervin
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February 22, 1995

Mr. M. J. Manning
Director
Clark County Public Works Department
6655 West Sahara Avenue
Building C-204
Las Vegas, NV 89102

SUBJECT: Flamingo Boulevard Special Improvement District (SID)
Town of Paradise, Clark County, Nevada

Dear Mr. Manning,

In response to your request at our January 20, 1995 meeting the following additional information is supplied concerning the formation of the Flamingo Boulevard SID.

SID Goal: The beautification of 3.3 miles of Flamingo Boulevard from Valley View Avenue to Cambridge Street by minaturizing existing electrical substations (Nevada Power's Valley View, Flamingo/Suzanne, and Claymont) and by undergrounding the existing Nevada Power electrical transmission system. Phase 1 of the project (Valley View Avenue to Koval Street) will enable Caesars Palace, Barbary Coast, and Bourbon Street casinos to expand their present facilities currently restricted by the overhead transmission lines/towers. Phase 2 of the project (Koval Street to Cambridge Street) can be used for a bicycle path and/or other developments.

SID Cost ($24-42 million): A western electrical utility with extensive experience in the undergrounding of 138,000 volt cable has indicated a cost range of $1.8 million (800 ampere cable) to $3.6 million (2000 ampere cable) per circuit mile. For the supply of redundant parallel circuits, the maximum cost would be $7.2 million per mile. The cost figures include installing underground vaults, conduit, cable, and patching the street surface. Each minaturized 50' x 100' substation is approximately $6 million (three substations required).

Project can be completed 8-12 months after notification to proceed.

Please review this project for qualification as a SID (or any other funding mechanism).

Sincerely,

Pat Ervin

TABLE OF CONTENTS

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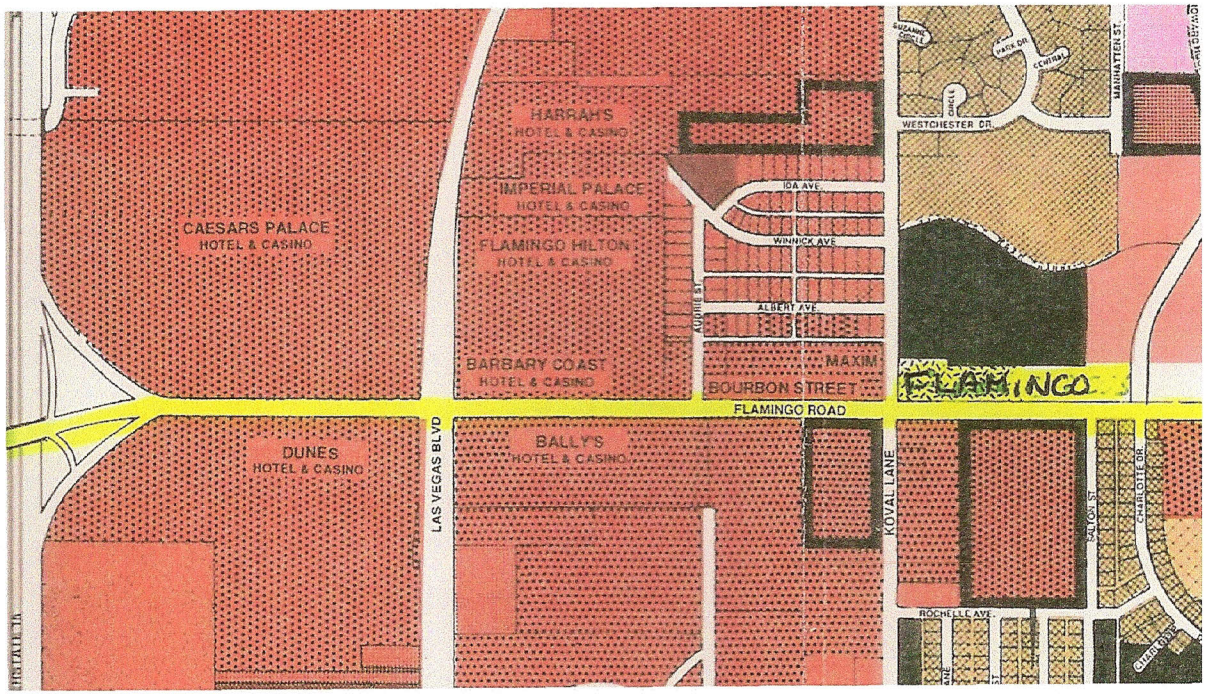
EXECUTIVE SUMMARY

The Flamingo Boulevard Special Improvement District is a proposal to utilize modern, aesthetically pleasing technology to underground existing electrical transmission lines and minaturize (compact) existing electrical substations along Flamingo Boulevard. The project will reclaim substantial tracts of land for recreational purposes and commercial/residential developments. Funding is envisioned from the formation of a special improvement district.

Phase 1 of the project is to underground the transmission system from Valley View Avenue to Koval Street. This phase of the project will enable Caesars, Barbary Coast, and Bourbon Street to expand their properties currently restricted by existing overhead transmission lines. Bally's, Flamingo Hilton, Maxim, Rio, and the former Dunes site will also benefit from greatly improved aesthetics.

Phase 2 of the project, Koval Street to Cambridge Street, will permit the installation of a bicycle path to be operated by Clark County on an easement granted (conceptually) by Nevada Power. Additional recreational and commercial developments are anticipated with Phase 2 of the project.

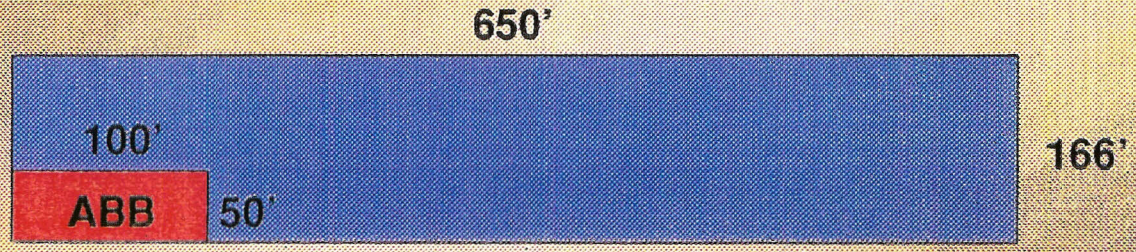
During the original construction of the electrical system, the post war technology available was open air insulated switchyards and overhead transmission lines. Present day technology now permits undergrounding of transmission systems and switching stations which are compact, economically viable, more reliable, and safer to operate. Many utilities throughout the world have satisfactory experience over the past two decades with the newer technologies, solid dielectric cables and gas insulated switchgear substations. Nevada Power has had successful experience to date with one compact substation on their system. Nevada Power will be requested to continue operation of the new transmission system which is virtually maintenance free when compared to their existing transmission system.


CAESARS PALACE
HOTEL & CASINO
HARRAH'S
HOTEL & CASINO
IMPERIAL PALACE
HOTEL & CASINO
FLAMINGO HILTON
HOTEL & CASINO
BARBARY COAST
HOTEL & CASINO
MAXIM
BOURBON STREET
DUNES
HOTEL & CASINO
BALLY'S
HOTEL & CASINO
FLAMINGO ROAD
LAS VEGAS BLVD
KOVAL LANE
WESTCHESTER DR.
MANHATTEN ST.
10A AVE
WINNICK AVE
ALBERT AVE
AVONLEA ST
SALTON ST
CHARLOTTE DR.
ROCHELLE AVE
CLEARY AVE

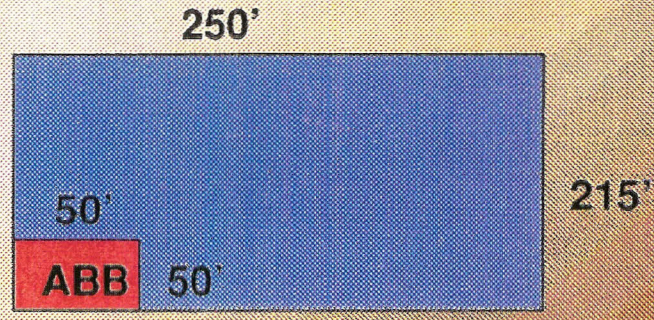

PHILLIPS

COMPARISON OF DIMENSIONS OF "AIS" (OUTDOOR) SUBSTATIONS AND "GIS" (GAS INSULATED SUBSTATIONS)

FLAMINGO / SUZANNE SUBSTATION



VALLEY VIEW SUBSTATION



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Inner City Transformer Substation (UW 8)

MVV

M94 1643 R

ABB Calor Emag Schaltanlagen AG

ABB