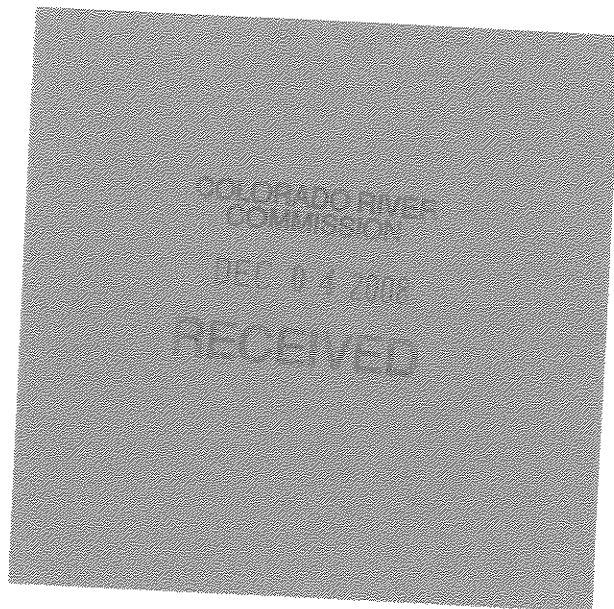




November 26, 2008

Craig Pyper
Colorado River Commission
555 E. Washington Avenue, Suite 3100
Las Vegas, NV 89101-1048



Subject: IRP Status Report for 2007-2008
Chemical Lime Co. – Henderson Plant

Dear Mr. Pyper:

The IRP Progress Report for 2007-2008 is listed below, with the **IRP Status Report** being “**highlighted**” afterwards.

Chemical Lime’s Henderson Plant is consuming approximately 270,000 KWH (average) per month. No major expansions are presently on the horizons at the Henderson Plant, but this could change as the markets we serve change. **Energy consumption average 270,000 KWH per month in the 2007-2008 year, which was a slight decrease over the previous year.**

Short Term: (2007 –2009):

- Design has been completed on Substations 406 and 421 to replace the 4160 volt breakers and 480 volt distribution systems. Construction should start in 2009. No net change in electrical consumption will be noted. The project is to replace original 1940’s gear with newer gear that includes better safety devices. **This project will take 2 years to complete.**
- Replacing the motor control center for our hydrate process will continue with phase 2 in 2009. Phase 1 was completed in August of 2007. This project is for the replacement of obsolete equipment with new motor switchgear. No significant change

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Henderson Operations
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in electrical consumption will be noted from this project. **This project should start 1st quarter of 2009.**

- An electrical engineering and feasibility study will be conducted in 2008 on installing capacitors to the Plant's main power feed. **This study has been postponed.**

Long Term (2008-2014):

- Continue the conversion of our customers from bagged product to bulk product, which results in less packaging and the conservation of non-renewable resources (plain paper bags).). **The conversion from bagged to bulk continues. The Plant will operate during 2009 with a higher bulk rate nearing 50%. The increase in bulk shipments has reduced our "plain paper bag" usage.**
- The Henderson Plant continues to improve productivity through process improvements and process automation. Higher productivity will result from these improvements, which will result in improved plant efficiencies and less power (KWH) per ton of hydrated lime produced. **Reduction in market has limited productivity in 2007 – 2008.**
- Replacing standard efficiency motors with premium efficiency motors when those motors fail. This will be for motors over 15 HP. **Two motors over 15 HP were replaced in 2008.**

If you have any questions, please call me at (702) 565-8991, ext 12327.

Sincerely,

Aaron Jones

Plant Manager

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