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NEWS RELEASE

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Fuel Commission to Present Final Recommendations ***15-month effort to address the shortcomings of Southern Nevada's fuel pipelines will conclude at Tuesday's Clark County Commission meeting***

LAS VEGAS – A Clark County-sponsored panel created to evaluate ways to prevent fuel shortages in Southern Nevada will present its final recommendations during a Clark County Commission meeting scheduled to begin at 9:15 a.m. Tuesday at the Clark County Government Center.

The rapid growth of Southern Nevada's population and visitor base, along with increasing air traffic at McCarran International Airport, is threatening to overwhelm the two 1970s-era pipelines that transport nearly all of this community's gasoline and jet fuel supplies from refineries in Southern California. To help curtail a crisis, the Clark County Commission created the Blue Ribbon Commission to Improve the Reliability of Southern Nevada's Fuel Supply in September 2005.

The 12-member group of civic and business leaders held its first meeting in October 2005. Since then, its monthly meetings have featured numerous private sector proposals, including plans for up to four new pipelines and the increased use of rail- and truck-based delivery methods. Government actions discussed included potential right-of-way assistance for pipeline developers; modifying local fuel blends to conform to those of neighboring states; and offering tax incentives to promote pipeline development as well as the use of alternative fuels and fuel-efficient vehicles.

Clark County Commission Chairman Rory Reid, who called for the creation of the Blue Ribbon Commission, hailed its work on behalf of the community. "This is a perfect example of business and government working together to solve an issue that confronts us all. Clark County is grateful for the efforts of those who served, and we look forward to implementing the commission's findings to better the lives of those in Clark County."

"I'm proud of what the Blue Ribbon Commission accomplished," added Randall H. Walker, the Clark County Director of Aviation who served as fuel commission chairman. "Before this group was formed, the fuel industry had no plans to address an issue that's of vital importance to everyone in Southern Nevada. But thanks to this group's efforts, many companies have stepped forward with proposals we believe will address the area's fuel needs for decades to come."

In October, Houston-based Kinder Morgan Energy Partners said it will invest \$388 million to build a 16-inchwide pipeline adjacent to the 14- and 8-inch pipelines it now operates between the Las Vegas Valley and Colton, Calif. The existing 8-inch line would be phased out, and its larger replacement would increase the system's overall capacity from 156,000 barrels per day to approximately 200,000. The addition of pump stations could raise that figure to 300,000 barrels per day, Kinder Morgan added. The 14-inch line would be dedicated to carrying jet fuel for use at McCarran and Clark County's regional airports.

The Blue Ribbon Commission also heard presentations from Dallas-based Holly Energy Partners, Pacific & Texas Pipeline & Transportation Co. of Phoenix, and WesPac Pipelines of Newport Beach, Calif. They hope to build new pipelines to fuel sources in the Rocky Mountains, Gulf Coast and Yuma, Ariz., respectively. One of the Blue Ribbon Commission's key desires is the addition of one or more new pipelines connecting local consumers with refineries located outside of Southern California.

Lewis Michaelson, a vice president with the San Diego-based advisory firm Katz & Associates, moderated the Blue Ribbon Commission's monthly meetings. He will present its findings to the Clark County Commission, with Walker alongside to field questions. An online version of the recommendations will also be posted Tuesday at www.ourfuelfuture.com.

Those participating on the Blue Ribbon Commission included representatives of the Clark County Department of Aviation; Harrah's Entertainment; Haycock Petroleum; the Las Vegas Convention and Visitors Authority; MGM Mirage; Nature Conservancy; Nellis Air Force Base; Nevada Power Co.; the Nevada State Office of Energy; Southwest Airlines; Terrible Herbst; and Wynn Resorts.



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