

# TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401

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December 13, 1989

Mr. Chris Umberger, AIA  
Associate/Branch Manager  
Dewberry and Davis  
208 Sunset Drive, Suite 345  
Johnson City, Tennessee 37604

Dear Chris:

Confirming our telephone conversation on December 13 concerning your memorandum to Phipps Bend Joint Venture on additional information which you could use as a basis for requirements for sale of the Phipps Bend reactor vessel, I offer the following comments.

Since the land, the reactor building, containment structure, and reactor vessel were sold by TVA to Phipps Bend Joint Venture, it will be Joint Venture's responsibility to ensure that its interests and those of TVA by virtue of the deed of trust are protected in any dealings with a potential salvage contractor. From our experience at Hartsville, several points need to be covered. I have not reviewed the Bill of Sale and Agreement to confirm whether or not the following items are in that document. As you are aware the Bill of Sale would need to be rewritten for Joint Venture's use.

Salvage operations shall in no way block access to the 500-kV TVA substation, right of way, or any other TVA operations which may be ongoing at the site.

The TVA district office in Johnson City and Holston Electric Cooperative shall be notified before any operations are begun which could potentially endanger the lives of workers, such as working near or under live power lines, etc.

Salvage contractor shall carry adequate liability insurance to cover potential damage to facilities owned by Joint Venture, TVA, Holston Electric Cooperative, or any other parties to which the salvage contractor could become liable. Liability insurance shall extend to coverage for injury and loss of life of workers. Default insurance should be provided to protect against damages resulting from a contractor walking off the site with the job incomplete.

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Joint Venture should define the limits of the contractor access to the site, particularly whether the contractor will be allowed access to both the containment structure and to the reactor building. The extent of the materials to be stripped also should be specified.

Contractor should be served notice that the areas where the salvage operation will be going on are extremely hazardous, and that contractor assumes all risks in working in such an environment.

Contractor shall restore the property to approximately its original condition after completion of the job. This includes restoration of land to original contours, repair of any torn-down fences, reblocking of reactor building access, etc.

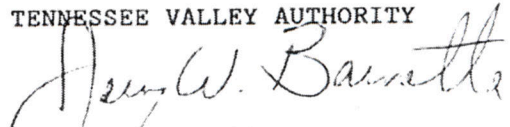
During salvage operations, contractor shall not leave hazards on the site which could cause harm to others. Contractor shall provide adequate barriers and warnings where appropriate. Contractor shall comply with OSHA safety standards.

As soon as I receive it, I will forward to you a copy of form TVA 1850, a list of safety standards sometimes used in TVA contracts. I am sending a copy of this letter to the TVA General Counsel's office for further suggestions and guidance on this topic. They will let me know if they have further suggestions. Otherwise, I have no further comment.

Please call us if we can be of further assistance.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

  
Jerry W. Barnette  
Program Manager/RIDA