August 6th, 2007

Mr. Timothy E. Thomas
Project Director
ADVATECH, LLC
1428 Chestnut Street, Suite A
Chattanooga, TN 37402

TVA/ADV-KIF-392

KINGSTON UNITS 1-9 FLUE GAS DESULFURIZATION (FGD) PROJECT - TVA CONTRACT NUMBER 18244, RELEASE 9 - KIF GYPSUM DISPOSAL AREA ASSIGNMENT OF RESPONSIBILITIES

Attention: Gary Ruzicka

Dear Mr. Ruzicka,

The purpose of this letter is to inform Advatech of their area of responsibility associated with design and construction of the KIF Gypsum Disposal Area. Enclosed is a responsibilities matrix that outlines who is responsible for the different portions of work. A portion of the responsibility matrix covers a future dewatering facility, however Advatech has no responsibilities associated with this. A summary of Advatech's responsibilities is given below:

- Design and install effluent piping to the gypsum pond. Due to the current failure of the gypsum marketing efforts, the effluent pipe will remain underground the whole distance from the end of the powerhouse to the gypsum pond.
- Design and install stormwater pond discharge pipe from the stormwater pond to the plant discharge channel.
- Design and install 13.8 KV feeder and Electrocenter consisting of a building that contains MCCs and a dry type close coupled transformer. Electrocenter to be sized only for the power requirements of the stormwater pond pumps and the underdrain lift station. The building will need to contain the appropriate fire detection devices and an alarm signal has to be transmitted back to the powerhouse. TVA will allow this to be done via a wireless signal with a hard contact in the powerhouse that ties back to the main fire alarm panel.
- Design and install power and control feeds to the stormwater pond pumps and the underdrain lift station.

Completion of this work will require coordination between Advatech and TVA Fossil Engineering Services, especially in the areas of pump power requirements and in the final pipe routing from the dewatering facility area to the gypsum and stormwater ponds.

If you have any questions, please contact Larry Nathan at 423-751-3696 or Jeremy Thompson at 423-751-8221.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

R. D. Nash
Director FGD Projects
LP 2T-C

Enclosure

cc: Chris Clark
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cc (continued):

Ronnie Stewart, KFP 1A-K
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Site Construction Manager

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R. R. Lautigar; LP 2T-C
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W. B. Obrien, KFP 1A – KST
D. L. Parks, LP 3J – C
H. L. Petty; LP 2T-C
R. L. Rehberg, KFP 1A – KST
N. C. Rockwell, LP 2L-C
F. A. Sumrall; LP 2T-C
J. E. Thompson; LP 2T-C

KIF FGD Project Files
EDM, WT CA – K

KIF Gypsum Disposal - Responsibilities Matrix - August 6, 2007

Gypsum Pond & Effluent Piping

Description	Engineering Design	Construction	Operate & Maintain
Gypsum Slurry Pipeline from Powerhouse to Gypsum Pond	Advatech	Advatech	KIF Plant
Gypsum Disposal Pond	TVA FES	HED	Yard Ops
Stormwater (Surge) Pond (Note 5)	TVA FES	HED	Yard Ops
Cleanout of Stormwater/SED Pond (as needed)	n/a	HED	Yard Ops
Road from Dewatering Facility Area to Gypsum Pond/Disposal Area	TVA FES	HED	Yard Ops
Underdrain Lift Station/Piping to Stormwater Pond	TVA FES	TVA (HED/GUBMK)	Yard Ops
Stormwater Pumps/Platform	TVA FES	TVA FES	Yard Ops
Pipe from Stormwater/Sed Pond to Plant Discharge Channel	Advatech	Advatech	KIF Plant
Electrocenter consisting of 13.8 KV Feeder, 13.8/480 step down transformer, 480V Motor Control Center	Advatech	Advatech	KIF Plant
Power/Control Feeds to Stormwater Pond Pumps and Underdrain Lift Station	Advatech	Advatech	KIF Plant/Yard Ops
Site Prep for Electrocenter	Advatech	Advatech	n/a

KIF Gypsum Disposal - Responsibilities Matrix - August 6, 2007

Future Gypsum Dewatering Facility

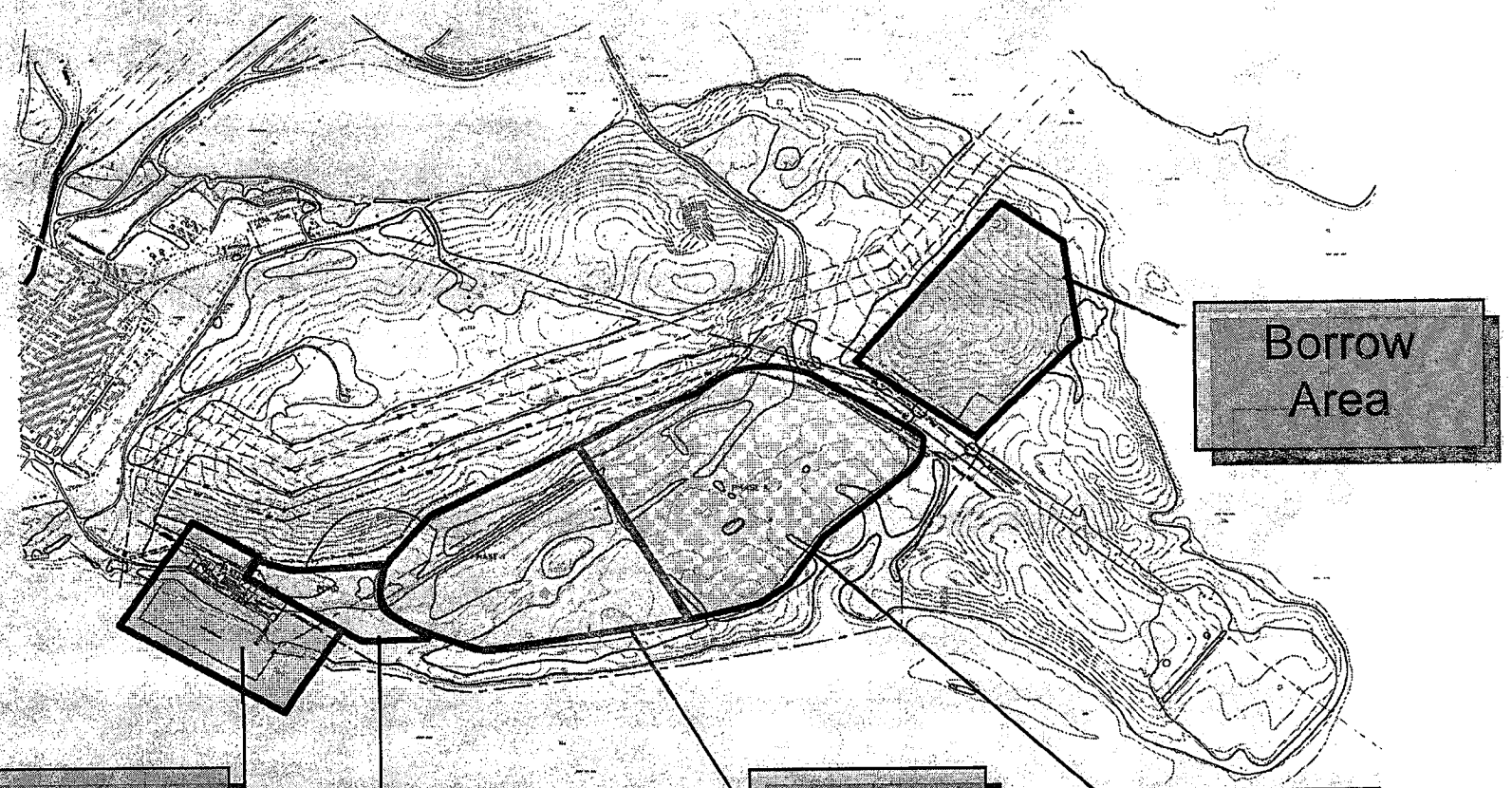
Description	Engineering Design	Construction	Operate & Maintain
Pipe from Future Bypass Valve to Dewatering Facility	Gyp Marketer	Gyp Marketer	Gyp Marketer
By-Pass Valve - Future	TVA/Gyp Marketer	TVA/Gyp Marketer	TVA-Plant
By-Pass Valve Controls (Note 4)	Gyp Marketer	TVA/Gyp Marketer	Gyp Marketer (Highly Coordinated with TVA)
Gypsum Dewatering Facility	Gyp Marketer	Gyp Marketer	Gyp Marketer
Rough (initial) Grading of the Area	TVA-FES (with input from Marketer)	HED	N/A
Site Development of Gyp Dewatering Facility (Final Grading, Drainage, Roads & Parking within the Gyp Marketer area)	Gyp Marketer	Gyp Marketer	Gyp Marketer
Stormwater Pipeline from Dewatering Facility to Gypsum Pond	Gyp Marketer	Gyp Marketer	Gyp Marketer
Filtrate Pipeline from Dewatering Facility Back to Effluent Lines	Gyp Marketer	Gyp Marketer	Gyp Marketer
Dry Gypsum Stockout (Pole Barn)	Gyp Marketer	Gyp Marketer	Gyp Marketer
Conveyor to Barge Loader	Gyp Marketer	Gyp Marketer	Gyp Marketer
Potable Water Supply (Note 1)	Gyp Marketer/TVA	Gyp Marketer/TVA	Gyp Marketer
Raw Water (Note 1)	Gyp Marketer/TVA	Gyp Marketer/TVA	Gyp Marketer
Power Supply to Gypsum Dewatering Facility (Note 2)	Advatech (with power requirement from Marketer)	Advatech	TVA-Plant
Marketer Transformer (Provide Oil Containment)	Gyp Marketer	Gyp Marketer	Gyp Marketer
Sewage/Septic (Note 3)	Gyp Marketer	Gyp Marketer	Gyp Marketer
Access Road to Gyp Dewatering Facility	TVA(use existing as much as practicable)	HED(use existing as much as practicable)	TVA-Plant
Fence/Gate (Optional-May Be Req'd at a later date)	Gyp Marketer	Gyp Marketer	Gyp Marketer
Transport (Hauling) from Dry Gypsum Stockout (Pole Barn) (Emergency Only)	n/a	n/a	Gyp Marketer haul to barge loader or gyp pond (emergency short term)
Permitting - (Note 6)	Gyp Marketer	Gyp Marketer	Gyp Marketer
Fire Protection	TBD	TBD	TBD
Security/Access/Badging of Marketer (across plant property)	KIF	KIF	KIF
Develop Dock for Gyp Barges	Gyp Marketer	Gyp Marketer	Gyp Marketer
Truck Route thru plant	TVA	TVA	TVA

KIF Gypsum Disposal - Responsibilities Matrix - August 6, 2007

Note 1 - TVA & Gyp Marketer to negotiate most practical approach to providing these utilities.
Note 2 - Pending Harriman Utility Board Agreement on metering
Note 3 - Septic System If permitted by State
Note 4 - Marketer may be required to provide instrument air & control power
Note 5 - TVA to provide capacity in sediment pond for stormwater from marketers area
Note 6 - With the exception of SWPPP, NPDES, Corps, and 26a permits by TVA

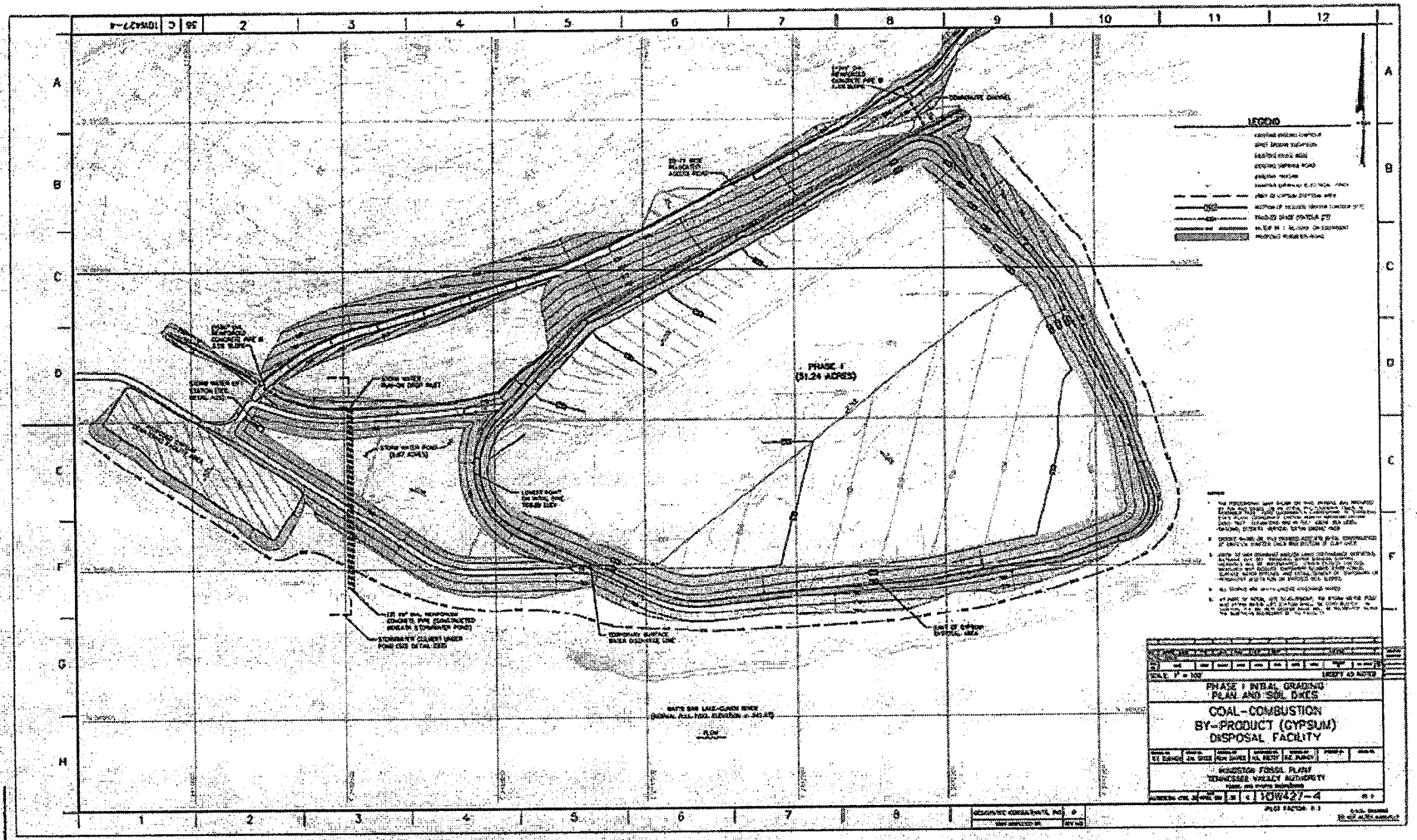
Marketer Utilitity Requirements: KIF requirements to be determined. BRF requirements where; Power - 841 KVA, 140 GPM Process Water

Site Layout and Features



GeoSyntec Consultants

10W427-4 – Phase 1 Initial Grading (Dikes, Base of Geologic Buffer)



GeoSyntec Consultants