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GNFS-91-078

Westinghouse
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July 31, 1991

PLEASE ROUTE:

S. LAMBERT
P. MCCLAIN
R. WILLIAMSON

Mr. David Blackwell
Contract Specialist
[illegible]09A Chestnut Street Tower II
Chattanooga, TN 37401

Subject: Gallatin C.T. Renovation Project
New Hire Insulation and Asbestos Abatement
TVA Contract 90PBJ-79024B-02

Dear Mr. Blackwell:

During the renovation project of the TVA Gallatin combustion turbines, the asbestos abatement and insulation scopes of work were revised on several occasions. In an attempt to keep the project moving to support the scheduled start-up of unit no. 4, Westinghouse and TVA communicated the changes and approvals verbally. For simplification purposes, this letter will define the scope of work that has been approved by TVA and then the scope of work that has not yet been approved.

Westinghouse offers to supply the asbestos abatement and insulation scopes at the following prices and exclusively on the terms and conditions set forth in this offer, including those set forth in the referenced CT Contract 90PBJ-79024B-02. This offer limits acceptance to the terms of this offer. Westinghouse Electric Corporation has obtained firm price quotations for asbestos abatement and insulation supply and services for all of the Gallatin combustion turbines.

Scope of work approved by TVA:

1. Units 1, 2, and 3 - Remove cloth material at joints on exhaust transition and flat metal strips at expansion joint), and remove pads from the IGV and fuel purge cabinet located between the turbine and generator.

   Unit no. 4 - Remove insulation from the cylinders, remove the cloth material at joints on exhaust transition and flat metal strips (at expansion joint), and remove insulation from the exciter end generator lube oil piping.

   The firm price obtained for this workscope is $29,739.56.

2. Remove insulation from the tank, valves, fittings, and piping in the fuel oil skids.

   The firm price obtained for this workscope is $16,800.00 ($4,200.00 per unit).

3. Remove the insulation from the exciter-end generator lube oil piping on units 1, 2 and 3.

   The firm price obtained for this workscope is $9,000.00 ($3,000.00 per unit).

4. Bag and dispose of pads in wooden crates in front of unit no.1 stack.

   The firm price obtained for this workscope is $1,840.00.

5. Remove flat bar and fabric at the stack side of the exhaust transition of units 1, 2, 3, and 4, clean the area, and remove the exhaust stack door gasket.

   The firm price obtained for this workscope is $7,920.00 ($1,980.00 per unit).

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PLAINTIFF'S EXHIBIT WH-279

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6. Remove insulation from the fuel oil piping between the fuel skid and the unit on units 1, 2, 3, and 4. This removal will consist of (6) mini containments per unit.

   The firm price obtained for this workscope is $29,800.00 ($7,450.00 per unit).

7. Remove insulation from the air-to-air cooler piping on units 1, 2, 3, and 4. This removal will consist of (4) mini containments per unit.

   The firm price obtained for this workscope is $20,800.00 ($5,300.00 per unit).

8. Furnish and install reusable insulation blankets for the unit no. 4 turbine. The insulation blankets will utilize 8 lbs. density, 1200 degree F. ceramic fiber in thicknesses as required with a .011" diameter knitted wire mesh hot face over a silicone impregnated fiberglass cloth outer layer.

   The firm price obtained for this scope is $59,022.00.

9. Furnish and install 2" mineral wool and .016" stucco embossed aluminum jacketing on unit no. 4 fuel oil skid piping, piping from the fuel skid to the unit, generator lube oil piping, and the air-to-air cooler piping that was abated earlier.

   The firm price obtained for this scope is $62,380.00.

10. Furnish and install insulation pads on the unit no. 4 IGV cabinet.

    The firm price obtained for this scope is $975.00.

The following workscopes have not yet been approved by TVA:

1. Fabricate insulation blankets per item (8) above for units 1, 2, and 3 at this time.

   The price obtained for this scope is $35,300.00 per unit. This price does not include installation of the blankets. TVA would be responsible for the storage of the blankets until needed.

2. As an option the insulation blankets can also be fabricated using an ERCO-Sil 36S outer cover. The price obtained for this option is $16,500.00 per unit. It is our understanding that one of the Gallatin steam turbines has been insulated recently using this outer cover material.

3. Furnish and install 2" mineral wool and .016" stucco embossed aluminum jacketing on units 1, 2, and 3 fuel oil skid piping, piping from the fuel skid to the unit, generator lube oil piping, and the air-to-air cooler piping that was abated earlier.

   The firm price obtained for this scope is $62,380.00 per unit.

4. Furnish and install insulation pads on units 1, 2, and 3 IGV cabinets.

   The firm price obtained for this scope is $975.00 per unit.

These workscopes and prices were quoted by Global Power Company located in Waverly Tennessee. Westinghouse has subcontracted Global to perform the above approved workscopes, and will bill TVA actual cost plus 25%. Work required that is in addition to the above defined scopes, once approved by TVA would be performed and billed at actual cost plus 25%.

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These services may be purchased under the existing CT Contract for Combustion Turbine Renovation and Maintenance, 90PBJ-79024B-02. Terms and conditions of that contract will apply. Prices are firm for the quoted shipment.

This offer is valid for 30 days, unless otherwise extended, modified, or withdrawn, in writing, by Westinghouse. The return of a purchase order or any other reasonable manner of acceptance communicated to Westinghouse during the validity period will be sufficient to form an agreement on the terms and conditions of this offer, including the referenced CT Contract 90PBJ-79024B-02.

This offer and any subsequent communications relative to this offer are considered to be proprietary information of Westinghouse Electric Corporation. Accordingly, do not publish, use, reproduce, transmit, or disclose to others outside your organization any information contained in this offer without the prior written consent of Westinghouse.

Thank you for the opportunity to offer this service. If you have any questions, please call me.

Very truly yours,

Scott J. Talbert
Sales Engineer
Generation & Nuclear Field Sales

SJT/vc

cc: Chuck Barham - TVA Site Coordinator, Gallatin Fossil Plant - C.T. Site
David Mullin - TVA CT Maintenance - BR 3B-C
P. Terry Myers - TVA CT Maintenance Manager - BR 3B-C

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