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Division Waste Management

Section Superfund

Program IHS (IHS)

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Apr 13 2020



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

January 4, 2008

Mr. Harry Sideris
Plant Manager
Progress Energy Carolinas, Inc.
Sutton Steam Plant
801 Sutton Steam Plant Road
Wilmington, North Carolina 28401

REC-LEAD

Re: Termination of REC-Administrative Agreement
and Notice of Statutory Requirements
CP&L Sutton Steam Plant
Wilmington, New Hanover County, NC
Site ID No. 000 830 646

Dear Mr. Sideris:

On August 20, 2007, I received your letter terminating the Registered Environmental Consultant (REC) Administrative Agreement (AA) for the CP&L Sutton Steam Plant Site (Site). The AA was executed for cleanup of hazardous substances under Inactive Hazardous Substance Response Act (IHSRA) authority. As you requested, the AA was terminated and the site transferred from the Responsible Party Voluntary Remedial Action category to the Sites Priority List category of the Inactive Hazardous Sites Inventory. Note that all Sites where "voluntary" assessment and cleanup under administrating agreements is discontinued are published on the Inactive Hazardous Waste Sites Priority List is issued annually.

Please be aware that, if you have not already done so, pursuant to 15A NCAC 2L .0106(b), any person conducting or controlling an activity which results in the discharge of a waste or hazardous substance to the groundwaters of the State, or in proximity thereto, shall take immediate action to terminate and control the discharge, and mitigate any hazards resulting from exposure to the pollutants. Pursuant to 15A NCAC 2L .0106(c), if groundwater standards have been exceeded, you must take immediate action to eliminate the source or sources of contamination. Beyond initial abatement actions, all assessment and remediation will be done through the IHSRA.

Since you are no longer "volunteering" to address the contamination at the Site, the Inactive Hazardous Sites Branch (Branch) will review the Site to determine if it is a priority for remedial action under IHSRA authority. The Site may also be reviewed and evaluated by the US Environmental Protection Agency for action under the federal Superfund Program.

Pursuant to North Carolina General Statute 130A-310.8 of the IHSRA, the owner of property which has been determined by the North Carolina Department of Environment and Natural Resources, Division of Waste Management (DWM) to be or include an inactive hazardous substance or waste disposal site is required to submit, for DWM approval, Notice of an Inactive Hazardous Substance or Waste Disposal Site (Notice) suitable for recordation in the county register of deeds office. The Sutton Steam Plant Site is an inactive hazardous substance waste disposal site. Instructions for recordation of Notices can be found on the Branch's web site at

www.wastenotnc.org/sfhome/lhsguide.htm. In addition to recording the Notice after approval of it by the Department, you should take measures to control site access and post Notices at the Site. In accordance with 130A-310.8(g), recordation is not required for any Site that is undergoing voluntary remedial action under an agreement with the DWM pursuant to 130A-310.9(b) unless it is part of a proposed containment remedy.

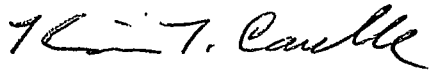
In the letter that I received August 23, 2007, you suggest that additional sample data was not necessary in order for Progress Energy and the REC to implement the proposed remedial action plan for the Site. The letter states "the REC concluded that deed restrictions and Monitored Natural Attenuation were the appropriate remedies for this site. The sitelacked significant soil or groundwater impacts. In addition, the contaminant was not leaching to groundwater and was not a threat to off-site (or on-site) receptors. DENR's review, however, indicated that additional sampling would be required under the REC rules and that an active remediation of groundwater may be necessary. This additional cost of reaching closure would not appear to offer any added benefit". Please note that a containment remedy with land use restrictions and groundwater monitored natural attenuation may ultimately be an acceptable and appropriate remedial alternative for the Site. However, the containment remedy for the flyash that was proposed by Progress Energy and the REC/RSM was not adequately supported in order for me to give concurrence as required by 15A NCAC 13C .0306(i)(2). The reasons why concurrence with the proposed containment remedy for the flyash (waste material) could not be provided were explained in my June 7, 2006 letter, during our July 11, 2006 site meeting, and in my April 25, 2207 e-mail (copy enclosed) that was sent to Mr. MacPherson of Progress Energy and Mr. Gary Cameron of ARCADIS BBL. First, an insufficient number of samples of the flyash, which is several acres in size, had been collected and properly analyzed in order to determine whether or not the contaminants in the waste material would be safe for the industrial worker exposure scenario that was proposed. A proper evaluation of the contaminant concentrations within the waste is necessary before any proposed containment remedy with perpetual land use restrictions can be considered by the Branch. Second, groundwater is already impacted at the Site, which, contrary to your letter, indicated that leaching of contamination into the groundwater had occurred. An insufficient number of samples of the waste material had been collected and properly analyzed to determine whether or not the contamination is still leaching into the groundwater. As explained in Appendix F of the REC Program Implementation Guidance (Guidance), in all cases the protection of groundwater criterion must be met for all sites. In other words, all sources of continued groundwater contamination must be remediated as required by 15A NCAC 2L .0106. Finally, I also had commented that the defined extent of the groundwater contaminant plume was questionable. No monitoring wells were installed at or immediately adjacent to the waste material area in order to evaluate the highest potential concentrations of contamination in the groundwater. Also, no groundwater quality data was collected to the south of well MW-15 which contained groundwater contamination in excess of remedial goals. Therefore, based on these three issues, additional data was necessary in order to complete the remedial investigation and select the appropriate remedial alternative for both the waste material and the groundwater. The standard procedures that are used in the environmental industry for evaluating the extent of contamination are provided in the Guidance.

In summary, concurrence with the proposed containment remedy for the waste material could not be given because it has not been properly characterized as required by 15A NCAC 13C .0306(e) and .0308(a). Proper evaluation of the concentrations and distribution of the contaminants of concern is a remedial investigation requirement of the REC Rules. For this Site, if you cannot demonstrate through proper site characterization of the waste material that the remedial goals for a restricted-use (industrial exposure) scenario and the "protection of groundwater" can be achieved, the Branch cannot provide concurrence with a proposed containment remedy and active remediation will be required unless a technical impracticability case can be demonstrated.

Be aware that removal of the Site from the REC Program does not relieve the Remediating Party (RP), Registered Site Manager (RSM), and REC of their obligations regarding the work performed to date. A complete technical audit of the project file and documents that have been submitted will be performed by the Branch in the future. It is recommended that the REC completely review the project and associated documents for compliance with the REC Rules and report any violations before a complete audit is performed by the Branch.

If you have any questions regarding the statutory requirements or the site specific issues and the REC Program, please feel free to contact me.

Sincerely,



Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

Enclosure: April 25, 2207 e-mail

cc: Mr. Kerry MacPherson, Progress Energy
Mr. Gary Cameron, ARCADIS BB&L

Subject: Re: CP&L Sutton Steam Plant

From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

Date: Wed, 25 Apr 2007 10:53:03 -0500

To: "Cameron, Gary" <Gary.Cameron@arcadis-us.com>

CC: kerry.macpherson@pgnmail.com, "Davies, Scott" <Scott.Davies@arcadis-us.com>

REC-LEAD

Gary:

Per our telephone conversation, the following comments are provided:

1. As we discussed, when something comes in regarding an REC site, I check for proper document certification and forward the information to the file room unless I know it is something that has to have my review (such as a containment remedy). This is explained during the REC training we provide. For the Sutton Site, I reviewed the proposed containment remedy (as required), but also provided some comments in my June letter regarding the groundwater issues that I had noted while reviewing other portions of the March 2006 RAP. You did not receive any comment for your Sept. letter because I simply filed it and was waiting on the other sampling data needed for the soil remedial goals and the other proposed containment remedy issues to be addressed.
2. Regarding the ash, if it is not soil contamination, then it is waste contamination and has to be remediated like any drum, vessel, etc. containing a waste product and will have to be treated like soil contamination or actively remediated. I spoke with John Powers and he only recalls discussing with you doing trenching to define the extent of the ash in lieu of taking grid samples spaced across the site. There is nothing in the file regarding the conversation, number of samples that you were planning to collect for lab analysis, etc. and, based on my review of the RAP/containment remedy, it appears that only a couple of samples were collected within the several acres of ash. There may have been several samples collected in the area of the fuel oil release(s), but these were clustered in one or two areas of the ash and not spread over the ash area. The bottom line is, we cannot provide concurrence for a containment remedy and a particular health exposure scenario if we don't know how high the waste material concentrations are at the site that needs to be restricted and we don't know whether or not it is leaching and causing 2L groundwater quality standards to be exceeded.
3. In Appendix F of the guidance document, Item 1 explains the information needed for the use of proposed land use restrictions at a site. The last sentence of Item 1 is the problem right now because you as the RSM need to confirm the waste and/or soil contamination will meet the remedial goals (it's not leaching and it's safe for the intended restricted use) at the site. As we discussed, you may also want to go ahead and send in the information in Item 2 (proposed alternate standards, proposed I&M, proposed restrictions, deed book and page number, etc.) that will be in the revised RAP. That way you can know up front that the concentrations for the restricted use scenario will be ok before you put the whole RAP together. We can also go ahead and put the together the DPLUR which will have to go into the RAP for public notice. This wording will probably be somehow revised in next year's guidance document.
4. My comments regarding the groundwater issues were provided only because I noted them while I was looking at other portions of the RAP. As we discussed, if I did an audit of the work, I would have similar questions/comments. There are no risk-base rules for groundwater and you will need to demonstrate that the remedial alternative will meet the NC 2L standards. Currently, it is possible that the highest groundwater impact may be closer to the ash material because wells MW-20, MW-15, and PZ-10 are approx. 250 ft., 500 ft., and 300 ft, respectively, from the ash. If the highest concentrations are unknown, it is unclear how someone can be sure MNA is the best long-term remedial alternative. Also, remedial goals were exceeded at MW-15 & MW-13 and I don't understand your averaging of the "parent" and "duplicate" sample results to compare to the remedial goal. Duplicate samples are usually just used for QA/QC of the data. Based on my site visit, I understand the limitations at MW-13, but it will be necessary to satisfactorily determine and monitor long-term the extent of the plume where the remedial goal is not defined at MW-15.

I hope our conversation has helped. Let me know if you have any further questions.

Kim T. Caulk, P.G.

Inactive Hazardous Sites Branch - REC Program

NCDENR - Division of Waste Management

401 Oberlin Road, Suite 150

Raleigh, North Carolina 27605

Phone: (919) 508-8451

Fax: (919) 733-4811

e-mail: kim.caulk@ncmail.net



File: SUT 13550

August 20, 2007

Certified Mail # 7006 3450 0000 7506 9648

Mr. Kim T. Caulk
NC DENR, DWM-Superfund Section
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605

Subject: Withdrawal from Administrative Agreement
L. V. Sutton Electric Plant
Wilmington, NC
NCD 000 830 646

REC-LEAD

Dear Mr. Caulk:

As Kerry MacPherson discussed with you on July 25, 2007, Carolina Power & Light Company (dba Progress Energy Carolinas - PEC) is concerned with the direction and potential cost of reaching closure for the Former Ash Disposal Area at the L. V. Sutton Electric Plant. We understand that the Registered Environmental Consultant (REC) Program was designed to be prescriptive because a consultant was "standing in" for the regulator. However, the inflexibility of this approach coupled with the absence of risk-based rules for the remediation of groundwater and the expected lowering (possibly by several orders of magnitude) of the arsenic groundwater standard, results in a situation that is untenable.

Late last year, the REC for the Sutton Project completed data collection and prepared a draft Remedial Action Plan (RAP). The REC concluded that deed restrictions and Monitored Natural Attenuation were the appropriate remedies for this site. The site was industrial in nature with controlled access, committed to long-term occupancy by PEC, and lacked significant soil or groundwater impacts. In addition the contaminant was not leaching to groundwater and was not a threat to off-site (or on-site) receptors. DENR's review, however, indicated that additional sampling would be required under the REC rules and that an active remediation of groundwater may be necessary. This additional cost of reaching closure would not appear to offer any added benefit. Therefore, we find it necessary to withdraw from the 2003 Administrative Agreement with DENR.

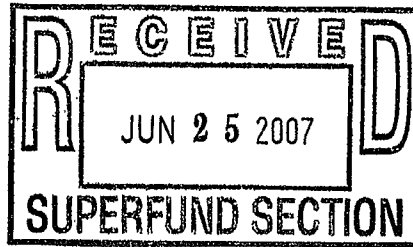
It is our understanding that after withdrawing from this voluntary program, the site will be placed back on the Inactive Hazardous Sites List. The initial ranking of this site was based in part on complications from an unlined ash pond also located on the Sutton Plant property. This concern has been resolved to the satisfaction of DWQ through the use of modeling that demonstrated that groundwater impacts would not reach off-site receptors. Analytical results from a monitoring well installed at the compliance boundary for the ash pond also demonstrated compliance. This would suggest a reduction in the priority ranking of the site should it be re-ranked. PEC is committed to fulfilling its obligations concerning this site and bringing it to closure. It is our hope that the passage of risk-based groundwater rules in the future will allow this course of action in a more practical and cost-effective manner.

We thank you for your considerations and guidance on this project, and we understand the constraints placed on both of us by this regulatory program. At this time, this appears to be the best course of action for the Company. Please contact Kerry MacPherson, Lead Environmental Specialist in our Corporate Office, at (919) 546-6753, should you have questions.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Harry Sideris".

Harry Sideris
Plant Manager
Sutton Plant



Mr. Kim Caulk, Manager
North Carolina Department of Environment and Natural Resources
Division of Waste Management
Inactive Hazardous Sites Branch
401 Oberlin Road, Suite 150
Raleigh, NC 27605

REC-LEAD

ARCADIS G&M of North Carolina,
Inc.
11000 Regency Parkway
West Tower
Suite 205
Cary
North Carolina 27518
Tel 919.469.1952
Fax 919.469.5676
www.arcadis-us.com

Subject:

Quarterly Progress Report (Period Covered: 04/1/07 to 06/30/07)
REC Program, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Steam Electric Plant, Wilmington, NC
Docket Number 03-SF-217

Date:

June 20, 2007

Contact:

Gary Cameron, P.E.

Phone:

919.415.2257

Email:

gary.cameron@arcadis-us.com

Our ref:

B0004017

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy Carolinas Inc. (Progress Energy) for the L. V. Sutton Steam Electric Plant (the Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2006. ARCADIS BBL, formerly known as Blasland, Bouck & Lee, Inc., (ABBL) has been designated as the Registered Environmental Consultant (REC) for the Site.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Site located in Wilmington, New Hanover County, North Carolina.

Imagine the result

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Activities Conducted During the Reporting Period (April 1, 2007 through June 30, 2007)

ABBL contacted Mr. Kim Caulk of the NCDENR on April 16, 2007 to check on the status of the NCDENR's review of the RAP Addendum Report submitted to the Department on February 26, 2007. The NCDENR's approval of the RAP is required under the REC Program since the RAP includes a containment remedy. Subsequently, Mr. Caulk provided additional comments to ABBL in an April 25, 2007 e-mail, which in part, requested further soil and groundwater delineation activities to better determine the nature of the ash material and groundwater conditions proximate to monitoring well MW-15 located near the FADA.

ABBL and Progress Energy are currently developing a response to the NCDENR's comments to the RAP for the FADA.

In summary, progress has been made for the FADA located at the Site during this reporting period and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-415-2257.

Sincerely,

ARCADIS BBL



Gary Cameron, P.E., RSM
Vice President

Copies:

Kerry MacPherson (Progress Energy)
Harry Sideris (Progress Energy)
Kent Tyndall (Progress Energy)
Scott Davies, P.G. (ABBL)
Daniel Peterman (ABBL)

CERTIFICATION STATEMENT
REMEDiating PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Harry Sideris
Printed Name
[Signature]
Signature

6/13/07
Date

North Carolina
State

New Hanover
County

I, DARLENE B. LONG, a Notary Public of said County and State, do
hereby certify that HARRY SIDERIS did personally appear and
sign before me this the 13th day of JUNE, 2007.

[Signature]
Notary Public Signature

My commission expires: 01-22-2011



CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON
Printed Name

[Signature]
Signature

6/20/07
Date

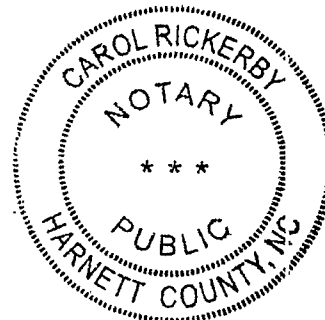
NORTH CAROLINA
State

WAKE
County

I, CAROL RICKERBY, a Notary Public of said County and State, do hereby certify that GARY R. CAMERON did personally appear and sign before me this the 20 day of JUNE, 2007.

[Signature]
Notary Public Signature

My commission expires: My Commission Expires 11-30-2009.



Re: CP&L Sutton Steam Plant

Subject: Re: CP&L Sutton Steam Plant
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Mon, 07 May 2007 09:40:42 -0500
To: "Cameron, Gary" <Gary.Cameron@arcadis-us.com>

REC-LEAD

Gary:

I do have a tremendous amount of work right now with all the re-organization needs, but I cannot deny a meeting if you believe we really need one. I don't know of any complex issues regarding the situation. Knowing the concentrations near the source area is needed to determine the proper remedial alternative (in this case justifying MNA will work) and understanding the extent of contamination is needed to at least monitor the plume over time. These issues are the same at any site whenever groundwater RGs are exceeded. I understand the site is within a large industrial facility, but it has to be treated like any other site. The decisions regarding the concentrations and extent of groundwater contamination are the responsibility of the RSM, and I believe meeting to discuss the issue defeats the purpose of the REC Program.

As I previously mentioned, the groundwater issues are just something that I noticed during my review of the proposed containment remedy and would question if I did an audit. I noted there were no MWs near the source area and the RGs were exceeded at one of the downgradient MWs. The following text is taken from both guidance documents of the Branch:

"At least one well must be installed centrally *within each area of release* that meet one or more of the above criteria."

and,

"If the remediating party decides not to install a well within an area due to grossly contaminated conditions or concern for rupturing buried vessels, a minimum of three wells must then be installed immediately surrounding the suspect area. Once groundwater flow patterns are clearly defined, a well will be required on the hydraulically down-gradient perimeter of the area of concern. A previously installed well may be appropriately located. Depending on the size of the area and nature of the release, additional monitoring wells may be necessary once the source is removed or remediated."

Additionally,

"If Phase I sampling indicates hazardous substances are present in groundwater, additional groundwater assessment will be required. The purpose of the Phase II groundwater investigation is to delineate the lateral and vertical extent of all contaminant plumes, on- and off-site. The lateral and vertical extent of the groundwater contaminant plumes must be defined by wells free from hazardous substance concentrations that exceed branch remediation goals."

I believe these are common practices in the environmental field, but if you still feel that we need to meet because of an unusual situation, let me know. I can meet briefly any day next week.

Regards,

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

Cameron, Gary wrote:

| Kim - we will be submitting a Work Plan to collect some samples and do further analysis to address your concerns about the soil/waste issues and the containment remedy. However, |

REC-LEAD

Subject: RE: CP&L Sutton Steam Plant
From: "Cameron, Gary" <Gary.Cameron@arcadis-us.com>
Date: Wed, 2 May 2007 08:33:39 -0400
To: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

Kim - we will be submitting a Work Plan to collect some samples and do further analysis to address your concerns about the soil/waste issues and the containment remedy. However, we have a few questions regarding the groundwater issues you mentioned (I appreciate your informal review of the groundwater portion of the RAP). Would you be available for a meeting with myself and Kerry MacPherson the week of May 14? I think a brief face-to-face, informal discussion will help us understand the issues better and ensure that the revised RAP will be in complete compliance with the guidance. Please let me know if you can meet with us. Thanks.

Gary

From: Kim T. Caulk [mailto:Kim.Caulk@ncmail.net]
Sent: Wednesday, April 25, 2007 11:53 AM
To: Cameron, Gary
Cc: kerry.macpherson@pgnmail.com; Davies, Scott
Subject: Re: CP&L Sutton Steam Plant

Gary:

Per our telephone conversation, the following comments are provided:

1. As we discussed, when something comes in regarding an REC site, I check for proper document certification and forward the information to the file room unless I know it is something that has to have my review (such as a containment remedy). This is explained during the REC training we provide. For the Sutton Site, I reviewed the proposed containment remedy (as required), but also provided some comments in my June letter regarding the groundwater issues that I had noted while reviewing other portions of the March 2006 RAP. You did not receive any comment for your Sept. letter because I simply filed it and was waiting on the other sampling data needed for the soil remedial goals and the other proposed containment remedy issues to be addressed.
2. Regarding the ash, if it is not soil contamination, then it is waste contamination and has to be remediated like any drum, vessel, etc. containing a waste product and will have to be treated like soil contamination or actively remediated. I spoke with John Powers and he only recalls discussing with you doing trenching to define the extent of the ash in lieu of taking grid samples spaced across the site. There is nothing in the file regarding the conversation, number of samples that you were planning to collect for lab analysis, etc. and, based on my review of the RAP/containment remedy, it appears that only a couple of samples were collected within the several acres of ash. There may have been several samples collected in the area of the fuel oil release(s), but these were clustered in one or two areas of the ash and not spread over the ash area. The bottom line is, we cannot provide concurrence for a containment remedy and a particular health exposure scenario if we don't know how high the waste material concentrations are at the site that needs to be restricted and we don't know whether or not it is leaching and causing 2L groundwater quality standards to be exceeded.
3. In Appendix F of the guidance document, Item 1 explains the information needed for the use of proposed land use restrictions at a site. The last sentence of Item 1 is the problem right now because you as the RSM need to confirm the waste and/or soil contamination will meet the remedial goals (it's not leaching and it's safe for the intended restricted use) at the site. As we discussed, you may also want to go ahead and send in the information in Item 2 (proposed alternate standards, proposed I&M, proposed restrictions, deed book and page number, etc.) that will be in the revised RAP. That way you can know up front that the concentrations for the restricted use scenario will be ok before you put the whole RAP together. We can also go ahead and put the together the DPLUR which will have to go into the RAP for public notice. This wording will probably be somehow revised in next year's guidance document.
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I hope our conversation has helped. Let me know if you have any further questions.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

Cameron, Gary wrote:

Hi Kim - thanks for the e-mail. I have attached a letter we sent in September that responds to the comments in your June 7 letter. Can you do a quick review and let me know if our responses are satisfactory, or if we still need to provide additional information? Thanks.

Gary

Gary R. Cameron, P.E.
Principal Engineer
ARCADIS BBL

ARCADIS U.S., Inc.
11000 Regency Parkway
West Tower, Suite 205
Cary, NC 27518
Phone: 919.415.2257
Fax 919.469.5676
Cell: 919.605.5642

Subject: Re: CP&L Sutton Steam Plant
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Wed, 25 Apr 2007 10:53:03 -0500
To: "Cameron, Gary" <Gary.Cameron@arcadis-us.com>
CC: kerry.macpherson@pgnmail.com, "Davies, Scott" <Scott.Davies@arcadis-us.com>

REC-LEAD

Gary:

Per our telephone conversation, the following comments are provided:

1. As we discussed, when something comes in regarding an REC site, I check for proper document certification and forward the information to the file room unless I know it is something that has to have my review (such as a containment remedy). This is explained during the REC training we provide. For the Sutton Site, I reviewed the proposed containment remedy (as required), but also provided some comments in my June letter regarding the groundwater issues that I had noted while reviewing other portions of the March 2006 RAP. You did not receive any comment for your Sept. letter because I simply filed it and was waiting on the other sampling data needed for the soil remedial goals and the other proposed containment remedy issues to be addressed.
2. Regarding the ash, if it is not soil contamination, then it is waste contamination and has to be remediated like any drum, vessel, etc. containing a waste product and will have to be treated like soil contamination or actively remediated. I spoke with John Powers and he only recalls discussing with you doing trenching to define the extent of the ash in lieu of taking grid samples spaced across the site. There is nothing in the file regarding the conversation, number of samples that you were planning to collect for lab analysis, etc. and, based on my review of the RAP/containment remedy, it appears that only a couple of samples were collected within the several acres of ash. There may have been several samples collected in the area of the fuel oil release(s), but these were clustered in one or two areas of the ash and not spread over the ash area. The bottom line is, we cannot provide concurrence for a containment remedy and a particular health exposure scenario if we don't know how high the waste material concentrations are at the site that needs to be restricted and we don't know whether or not it is leaching and causing 2L groundwater quality standards to be exceeded.
3. In Appendix F of the guidance document, Item 1 explains the information needed for the use of proposed land use restrictions at a site. The last sentence of Item 1 is the problem right now because you as the RSM need to confirm the waste and/or soil contamination will meet the remedial goals (it's not leaching and it's safe for the intended restricted use) at the site. As we discussed, you may also want to go ahead and send in the information in Item 2 (proposed alternate standards, proposed I&M, proposed restrictions, deed book and page number, etc.) that will be in the revised RAP. That way you can know up front that the concentrations for the restricted use scenario will be ok before you put the whole RAP together. We can also go ahead and put the together the DPLUR which will have to go into the RAP for public notice. This wording will probably be somehow revised in next year's guidance document.
4. My comments regarding the groundwater issues were provided only because I noted them while I was looking at other portions of the RAP. As we discussed, if I did an audit of the work, I would have similar questions/comments. There are no risk-base rules for groundwater and you will need to demonstrate that the remedial alternative will meet the NC 2L standards. Currently, it is possible that the highest groundwater impact may be closer to the ash material because wells MW-20, MW-15, and PZ-10 are approx. 250 ft., 500 ft., and 300 ft, respectively, from the ash. If the highest concentrations are unknown, it is unclear how someone can be sure MNA is the best long-term remedial alternative. Also, remedial goals were exceeded at MW-15 & MW-13 and I don't understand your averaging of the "parent" and "duplicate" sample results to compare to the remedial goal. Duplicate samples are usually just used for QA/QC of the data. Based on my site visit, I understand the limitations at MW-13, but it will be necessary to satisfactorily determine and monitor long-term the extent of the plume where the remedial goal is not defined at MW-15.

I hope our conversation has helped. Let me know if you have any further questions.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

Cameron, Gary wrote:

Hi Kim - thanks for the e-mail. I have attached a letter we sent in September that responds to the comments in your June 7 letter. Can you do a quick review and let me know if our responses are satisfactory, or if we still need to provide additional information? Thanks.

Gary

Gary R.Cameron, P.E.
Principal Engineer
ARCADIS BBL

ARCADIS U.S., Inc.
11000 Regency Parkway
West Tower, Suite 205
Cary, NC 27518
Phone: 919.415.2257
Fax 919.469.5676
Cell: 919.605.5642
gary.cameron@arcadis-us.com

-----Original Message-----

From: Kim T. Caulk [<mailto:Kim.Caulk@ncmail.net>]

Sent: Thursday, April 19, 2007 3:06 PM
To: Cameron, Gary
Cc: kerry.macpherson@pgnmail.com
Subject: CP&L Sutton Steam Plant

Gary:

Thanks for your telephone call a few days ago regarding the status of the Feb. 26, 2007 letter report titled "Ash Management Investigation"

for the above subject site. After we spoke, I remembered that, when the document arrived, I checked for appropriate document certification, logged it in, and filed the document. This is the normal procedure with these REC sites unless I know that I need to take some other action such as review a proposed containment remedy, assist with obtaining alternate soil remedial goals, provide instructions to the RSM for a RAP public notice, etc.. Since no RAP had been approved by you yet, I assumed that a revised RAP would be submitted later that would probably have a proposed containment remedy for me to review and provide concurrence.

Therefore, I did not respond to this document. I apologize if there was any misunderstanding.

Nevertheless, I have reviewed the report and find that it only address whether or not constituents are still leaching to groundwater. It does not address the other issues brought out in my June 7, 2006 letter.

Although several of the comments in my letter did not apply to the proposed containment remedy, they were issues that I believed needed to

Subject: CP&L Sutton Steam Plant
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Thu, 19 Apr 2007 14:06:27 -0500
To: Gary Cameron <grc@bbl-inc.com>
CC: kerry.macpherson@pgnmail.com

REC-LEAD

Gary:

Thanks for your telephone call a few days ago regarding the status of the Feb. 26, 2007 letter report titled "Ash Management Investigation" for the above subject site. After we spoke, I remembered that, when the document arrived, I checked for appropriate document certification, logged it in, and filed the document. This is the normal procedure with these REC sites unless I know that I need to take some other action such as review a proposed containment remedy, assist with obtaining alternate soil remedial goals, provide instructions to the RSM for a RAP public notice, etc.. Since no RAP had been approved by you yet, I assumed that a revised RAP would be submitted later that would probably have a proposed containment remedy for me to review and provide concurrence. Therefore, I did not respond to this document. I apologize if there was any misunderstanding.

Nevertheless, I have reviewed the report and find that it only address whether or not constituents are still leaching to groundwater. It does not address the other issues brought out in my June 7, 2006 letter. Although several of the comments in my letter did not apply to the proposed containment remedy, they were issues that I believed needed to be addressed and would be some of the issues that I would raise if I were doing a full audit for potential REC Rule violations for the project. The recent investigation seems to address comments 4 (& perhaps 7) in my June letter, but comments 3, 6, & 8 need to be addressed because they also influence the proposed containment remedy. For example, as indicated in comment 6, the RAP needs to address the RGs for each area of concern in all environmental media and the information that is described in Appendix D & F of the REC Guidance such as the proposed restrictions, proposed inspection plan, etc. need to be included with the proposed containment remedy. If you want to propose a restricted-use scenario, the proposed alternate remedial goals need to be clarified and submitted. FYI, most RSMs contact me prior to submitting a proposed containment remedy and obtain the RGs for restricted-use prior to submitting the Draft RAP. That way they know the RGs prior to preparing the document. Also, if you do not have a copy of a standard DPLUR, let me know and I can forward one to you. It includes several typical land use restrictions that have been used in the past.

In summary, the contents of my June letter and what was necessary for the revised submittal were discussed during the meeting at the site last July. I indicated during the meeting that a containment remedy appears justifiable for the site, however, at this point I still cannot concur with the containment remedy as it has been proposed.

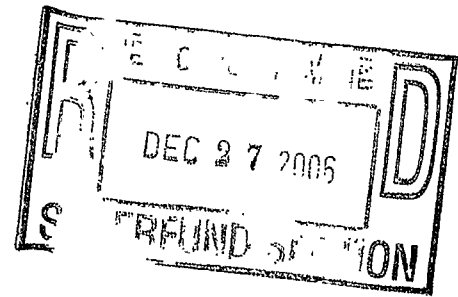
If you have any questions, please contact me.

--

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811



 an ARCADIS company



Transmitted Via Certified Mail

December 27, 2006

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

REC-LEAD

Re: Quarterly Progress Report (Period Covered: 10/1/06 to 12/31/06)
REC Program, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project No. 04017

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy Carolinas Inc. (Progress Energy) for the L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2006. Blasland, Bouck & Lee, Inc., an ARCADIS Company (BBL) has been designated as the Registered Environmental Consultant (REC) for the Sutton Site.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (October 1, 2006 through December 31, 2006)

A Remedial Action Plan (RAP) was submitted to the NCDENR on March 31, 2006. NCDENR completed its initial review of the document and provided comments on the RAP in a letter dated June 7, 2006. On July 11, 2006, Progress Energy and BBL met with NCDENR at the Sutton Site to familiarize the agency with the current FADA layout, and to discuss comments on the RAP presented in the Department's June 7th letter. Subsequently, BBL, on behalf of Progress Energy, submitted a response to the NCDENR's comments on September 25, 2006 that were consistent with the discussions held during the July 11th meeting.

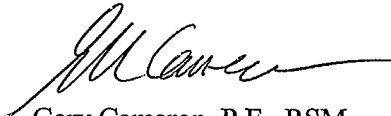
Following the submittal of the September 25, 2006 response to comment letter, BBL prepared a focused RAP Addendum Work Plan that included provisions for the collection of 10 samples representative of the three distinct ash units identified within the FADA during the Remedial Investigation activities. These samples were analyzed for Synthetic Precipitation Leaching Procedure (SPLP) by USEPA SW-846 Method 1312 for Hazardous Substance List Metals. This Work Plan was submitted to the NCDENR on November 20, 2006 and implemented by BBL on December 7, 2006. This data will be utilized to determine the potential of the ash-related constituents (i.e., metals) to leach to the groundwater. A summary of the findings will be presented to the NCDENR in a RAP Addendum Report.

In summary, progress has been made for the FADA located at the Sutton Site during this reporting period and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-415-2257.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM
Vice President

cc: Kerry MacPherson (Progress Energy)

Harry Sideris (Progress Energy)
Kent Tyndall (Progress Energy)
Scott Davies, P.G., (BBL)

CERTIFICATION STATEMENT

REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Harry Sideris

Printed Name

Harry Sideris

Signature

12/14/06

Date

North Carolina

State

New Hanover

County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that HARRY SIDERIS did personally appear and sign before me
this the 14th day of DECEMBER, 2006.

Darlene B. Long

Notary Public Signature

My commission expires: 01-22-2011.

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON

Printed Name

[Signature]

Signature

12/18/06

Date

NORTH CAROLINA

State

WAKE

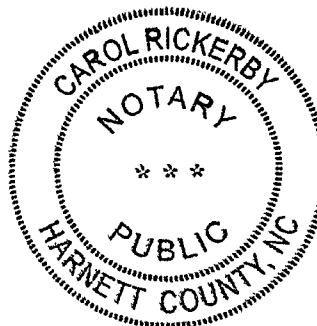
County

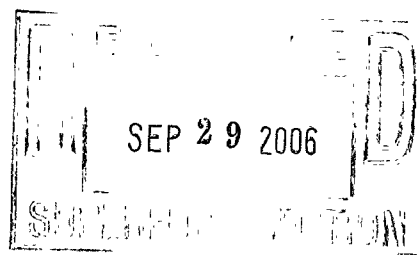
I, CAROL RICKERBY, a Notary Public of ^{HARNETT}~~said~~ County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 18 day of DECEMBER, 2006.

Carol Rickerby

Notary Public Signature

My commission expires: My Commission Expires 11-30-2009





Transmitted Via Certified Mail

September 26, 2006

REC-LEAD

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: Quarterly Progress Report (Period Covered: 7/1/06 to 9/30/06)
REC Program, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04017

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy - Carolinas Inc. (Progress Energy) for the L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2006. BBL, an ARCADIS Company (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (July 1, 2006 through September 30, 2006)

A Remedial Action Plan (RAP) was submitted to the NCDENR on March 31, 2006. NCDENR completed its initial review of the document and provided comments on the RAP in a letter dated June 7, 2006. On July 11, 2006, Progress Energy and BBL met with NCDENR representatives Mr. Kim Caulk and Mr. John Walsh at the Sutton site. The purpose of site visit was to familiarize the NCDENR with the current FADA layout, and to discuss comments on the RAP presented in the Department's June 7th letter. Since that time, Progress Energy and BBL have been working on a response to the NCDENR's comments that is consistent with the discussions held during the July 11th meeting. Progress Energy and BBL submitted a response to the NCDENR's comment letter on September 25, 2006.


In addition, new fencing was observed at the Sutton site during the July 11th site visit. Since that time, Progress Energy and BBL have been reviewing the location and extent of the fencing to determine if it can be used to serve as all or part of the Access Controls proposed in the RAP.

In summary, progress has been made on the FADA REC project at the Sutton site during this reporting period and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM

Vice President

cc: Kerry MacPherson (Progress Energy)

Harry Sideris (Progress Energy)

Kent Tyndall (Progress Energy)

Scott Davies, P.G., (BBL)

CERTIFICATION STATEMENT

REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Harry Sideris
Printed Name

Harry Sideris
Signature

9/25/06
Date

North Carolina
State

New Hanover
County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that HARRY SIDERIS did personally appear and sign before me
this the 25th day of SEPTEMBER, 2006.

Darlene B. Long
Notary Public Signature

My commission expires: 01-22-2011

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON
Printed Name

[Signature]
Signature

9/26/06
Date

NORTH CAROLINA
State

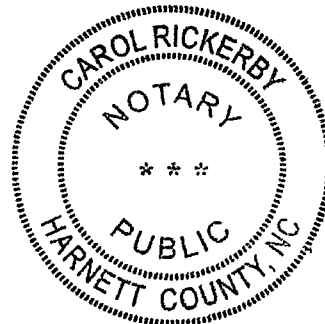
WAKE
County

I, CAROL RICKERBY, a Notary Public of ^{HARNETT}~~said~~ County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 26 day of September, 2006.

[Signature]
Notary Public Signature

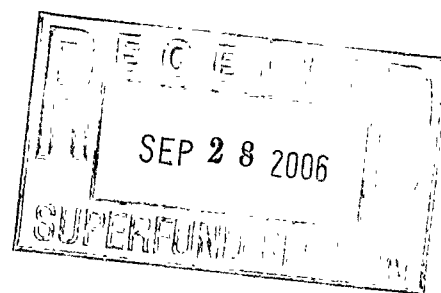
My Commission Expires 11-30-2009.

My commission expires: _____.





 an ARCADIS company



Transmitted Via Certified Mail

September 25, 2006

REC-LEAD

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: Response to Comments on the Remedial Action Plan
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Steam Electric Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04017

Dear Mr. Caulk:

This letter has been prepared in response to comments received on June 7, 2006 from the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch on the Remedial Action Plan (RAP) submitted to the NCDENR on behalf of Carolina Power and Light Company d/b/a Progress Energy - Carolinas Inc. (Progress Energy) for the L.V. Sutton Steam Electric Plant (Sutton Site) (NCD000830646) on March 31, 2006. The Sutton site is located at 600 Sutton Steam plant Road in Wilmington, North Carolina.

The RAP was prepared in accordance with the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the NCDENR. The RAP was also prepared in accordance with the applicable requirements of the North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2005. Blasland, Bouck, and Lee, Inc., an ARCADIS Company (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Progress Energy appreciated the NCDENR visit the Sutton Site on July, 11, 2006. As discussed during the meeting, the FADA is located in a unique setting within the plant and is not a typical site within the REC Program.

The comments received from the NCDENR are presented below along with a response provided by Progress Energy.

NCDENR Comment:

1. Note that the Branch is only reviewing the proposed use of a containment remedy for the site, which, in accordance with 15A NCAC 13C .0306(i), is a remedial alternative that requires Branch concurrence prior to implementation. The Branch does not review and approve the entire RAP and all data associated with the site when reviewing the recommendation of the Registered Environmental Consultant (REC). Compliance with the REC Rules, including completion of all portions of the RAP, and all other applicable laws from other agencies is the responsibility of the Registered Site Manager (RSM). The latest version of the REC Program Implementation Guidance (Guidance), which can be found on our website at <http://www.wastenotnc.org/sfhome/recprog.htm>, can assist you regarding compliance with the REC Rules. Also, as the current RSM, you should ensure any information that you obtain from work documents prepared by other parties and included in your certified documents is accurate.

Progress Energy's Response:

Progress Energy appreciates the NCDENR's clarification on the RAP review process.

NCDENR Comment:

2. Page 2-3 discusses a release of No. 6 fuel oil that was investigated at the site. The Branch appreciates your assessment and remedial efforts regarding the fuel oil release, however, you should contact the Division of Water Quality to ensure the release has been adequately addressed.

Progress Energy's Response:

Progress Energy has worked with the Division of Water Quality on the historical release of No. 6 fuel oil in the FADA at the Sutton Plant. The release occurred from one of the on-site 11-million gallon above ground storage tanks during the 1970s. The event was a one time sudden event as opposed to an ongoing release. Progress Energy oversaw the removal of the No. 6 fuel oil from the area surrounding the tank shortly after the release. On several occasions after the original release, plant personnel discovered remnants of the above-referenced release during work activities in the vicinity of the tank. On July 13, 1995 and again on November 4, 1996, Division of Water Quality personnel in the Wilmington Regional Office were notified. On the first occasion, groundwater samples were collected by a consultant. DWQ personnel also visited the Site and were satisfied that Progress Energy had met its reporting and assessment obligations and no further action was deemed warranted. In 1996, DWQ was again notified, but again no further action was required.

NCDENR Comment:

3. To develop a remedy, it is important that a sufficient number of samples be collected from each environmental medium in order to properly assess the extent and contaminant concentrations at a site. Section 2.4 of the RAP indicates that a limited number of contaminants of concern exceed remedial goals (RGs) at the site. However, based on my review of the remedial investigation summary provided in the RAP, it appears that only 5 shallow groundwater monitoring wells have been installed and sampled for

water quality, and some of the wells are not located within or in close proximity to the ash material. Also, the extent of the groundwater contamination within the vicinity of wells MW-13 and MW-15, where remedial goals have been exceeded, is not completely defined. In addition, the ash disposal areas appear to be several acres in size and only 7 soil samples were apparently collected at the site for laboratory analyses and only a few of these samples were collected within the disposal area. The metals content of the ash can vary greatly with the source material. Furthermore, the surface water bodies immediately surrounding the site are a concern of the Branch and only 2 water samples and 2 sediment samples were apparently collected from the Cape Fear River. No samples were apparently collected from Sutton Lake and the adjacent canal. You need to provide additional support or justification for the proposed containment remedy that the contamination has been adequately characterized in the soil, sediment, surface water, and groundwater. These details should have been addressed during the remedial investigation and should be discussed as part of the proposed containment remedy that must be reviewed by the REC Program.

Progress Energy's Response:

This comment is focused on the remedial investigation program at the FADA for groundwater, soil, and surface water and sediment sampling. For ease of review, Progress Energy has separated the responses according to these three issues.

Response to Comment – Groundwater Monitoring Approach

The design of the groundwater monitoring program was prepared to characterize the groundwater movement and groundwater quality in and around the FADA. Several factors were evaluated prior to the placement of each FADA well:

- 1) Safe and unobstructed access to wells in and around the FADA by avoiding site-specific features including dense vegetation and the discharge canal on the north side of the FADA, the coal storage area, active rail spur, and above-ground storage tank and secondary containment to south, the discharge canal to the east and Lake Sutton to the west.
- 2) The location of existing subsurface and above-ground utilities (i.e., gas, coal ash, water and electric lines).
- 3) Limiting the potential for vertical migration (i.e., drag-down) of ash material during borehole advancement and well installation activities.

Based on these considerations, each well was strategically placed to ensure adequate delineation of constituents of concern (COCs) in the FADA. Figure 2-5 of the RAP depicts the locations of the temporary piezometers installed during the Phase II RI, the permanent piezometer, and the nine permanent monitoring wells in the FADA.

Groundwater samples were collected in June 2004 and February 2005 to assess the groundwater quality proximate to the FADA. Arsenic was the only COC detected above its RG of 10 µg/liter. Groundwater samples collected from downgradient monitoring wells MW-20 (shallow zone) and MW-20D (deep zone) confirmed that arsenic was not detected. Arsenic concentrations detected in February 2005 from samples collected in the upgradient monitoring well MW-14 were below the groundwater RG of 10 µg/L (9.6 µg/L). Concentrations of arsenic in groundwater samples collected from MW-13 and MW-15 were above the groundwater RG in June 2004 and February 2005 at 70.6 µg/L and 101 µg/L (average of parent and

duplicate sample), and 42.7 µg/L (average of parent and duplicate sample) and 44 µg/L, respectively. However, due to the factors previously discussed, it is not feasible to install additional monitoring wells near MW-13 and MW-15.

Overall, there does not appear to be a definable arsenic plume in the FADA groundwater; rather, isolated detections of arsenic generally occur in areas where ash is in close proximity to shallow well screens (e.g., MW-13). It should also be noted that vertical delineation of site COCs has been adequately defined in groundwater proximate to the FADA. Groundwater samples from the four deep wells installed as part of the Phase II RI activities were all below the groundwater RG.

The RAP contains a groundwater sampling program based to further assess groundwater quality in the FADA (see Section 5). To further address the NCDENR's comment, piezometer PZ-10 will be added to the RAP sampling list to further characterize groundwater upgradient from monitoring well MW-15. PZ-10 will be analyzed for iron (total and dissolved), manganese (total and dissolved) and for arsenic species [i.e., As (III) and As(V)] during the initial monitoring event. If arsenic is detected in groundwater samples from PZ-10, it will be added to the monitoring program.

Response to Comment – Ash/Soil Management Approach

Progress Energy submitted a Phase I RI Work Plan for the FADA to the NCDENR which did not include provisions for collecting soil samples for the FADA investigation because the ash is considered a waste-like material and not native soil. This approach was reviewed with Mr. John Powers of the NCDENR and agreed upon in September 2003. The FADA was delineated by excavating 20 test pits and 20 borings to determine the presence/absence of ash material. Potential impacts related to the FADA were evaluated based on the results of groundwater, surface-water, and sediment samples collected during the Phase I RI. Sampling locations for these media were based on the delineation of the FADA using the test pit and boring data. This strategy appears to be reasonable based on the limited impacts to groundwater as described above.

In addition, as discussed in Section 2.2.2 of the RAP (BBL, 2006), non-aqueous phase liquid (NAPL) was observed in three isolated locations within and near the FADA. Therefore, a total of seven surface and subsurface ash/soil samples (SF-1, SF-7, SF-8, SF-9, SB-10, SB-11, and TP-16) were collected and analyzed in accordance with the REC guidance. Analytical results are summarized in Section 2.2.3 and Table 2-4 of the RAP (BBL, 2006). These soil data further confirmed the limited presence of metals in and around the FADA.

Response to Comment – Surface water Monitoring Approach

CP&L was granted an easement by the State of North Carolina in 1971 to construct the cooling pond (i.e., Lake Sutton) at the Sutton Site, therefore, the cooling pond is not considered "waters of the State." Dikes were constructed around the perimeter to form a shallow pond to facilitate release of heat from the cooling water discharged by the Sutton facility. Additional dikes were constructed within the pond to direct the cooling water in a counter clockwise direction back to the plant for reuse.

The ash ponds and the closed-cycle cooling pond are wastewater treatment facilities; one for the removal of ash from the ash sluice water and the other for the removal of heat. Treated ash sluice water is conveyed to the cooling pond, or it is commingled with cooling pond blowdown water and discharged from the Sutton Site's National Pollution Discharge Elimination System (NPDES) permitted outfall to the Cape Fear River. Progress Energy has a monitoring program in place to collect water chemistry, sediment

and fish tissue data from the cooling pond. Water chemistry and fish tissue data (NPDES permit requirement) are also collected from the Cape Fear River. These results confirm that arsenic is not accumulated in the edible flesh of fish and is not a health concern.

In summary, the Sutton cooling pond is a process wastewater treatment facility that receives some arsenic loading directly from the ash pond. Surface water, sediment and fish tissue samples are monitored under a separate ongoing NCDENR program. The cooling pond is not waters of the State and water quality standards are not applicable. The appropriate location for assessment of the FADA is the Cape Fear River in the vicinity of the Sutton Sites permitted discharge point.

NCDENR Comment:

4. Page 4-4 of the RAP suggests that, since the ash material is younger in the Old Ash Pond (OAP), synthetic precipitation leaching procedure (SPLP) data from the OAP should represent a "worst case" estimate of arsenic concentrations in groundwater. Usually, arsenic concentrations vary depending on the source of the ash material. Therefore, several samples should be collected from each of the different ash materials to determine the contaminants of concern and concentrations so that appropriate remedial goals (RGs) can be evaluated.

Progress Energy's Response:

As described above, detections of arsenic in groundwater are spatially limited and are not indicative of a plume of arsenic emanating from the FADA. The RAP includes a plan to further evaluate groundwater quality and geochemistry under a variety of site-specific seasonal conditions. As discussed in our response to comment three, Progress Energy will collect additional samples from piezometer PZ-10 to further characterize groundwater quality beneath the FADA. If arsenic concentrations at PZ-10 exceed the groundwater RGs (10 ug/L), Progress Energy may elect to conduct additional sampling of FADA solids (soil and ash materials) to differentiate between the various ash material units identified during the Phase I RI test pitting activities, if appropriate. If solids sampling is conducted, Progress Energy will collect one (1) sample from each ash unit and analyze using the Synthetic Precipitation Leaching Procedure (SPLP) method.

NCDENR Comment:

5. Page 6-1 of the RAP indicates the North Carolina 2L standard for arsenic is 10 micrograms per liter (ug/l). Note that the 2L standard for arsenic is 50 ug/l, however, the EPA maximum contaminant level (MCL) for arsenic is 10 ug/l which is the RG for arsenic in groundwater as it is lower.

Progress Energy's Response:

Progress Energy appreciates the NCDENR's clarification on the arsenic standard.

NCDENR Comment:

6. Pursuant to the REC Rules, RECs must ensure that Branch cleanup standards are met. The procedures used to determine the RGs, including procedures for determining alternative health-based cleanup levels as you have proposed, are explained in Appendices D and E of the Guidance. The RGs for soil include both "health-based" remedial goals and "protection of groundwater" remedial goals. However, the RAP only discusses unrestricted use RGs for soil. As explained in the Guidance, the lower of the "health-based" remedial goals or "protection of groundwater" remedial goals or the "site-specific natural background concentrations" must be used as RGs for soil. In addition, surface water bodies are immediately adjacent to the site and the RGs for sediment and surface water are not discussed in the RAP.

Accordingly, the procedures that you used to establish the remedial goals for the site need further explanation, and clarification is needed regarding the RGs for each constituent of concern in all environmental media.

Progress Energy's Response:

We believe the approach presented in the RAP is consistent with Appendices D and E of the REC Guidance. Specifically, Section D.3 of the REC Guidance which states: "Under certain site conditions, it may not be appropriate or feasible to meet the soil or sediment remediation goals described in D.2 [i.e. for an unrestricted use scenario]. The REC may propose (for branch review and approval) alternate soil or sediment remediation goals based on a restricted land-use exposure scenario." We believe a restricted land-use scenario is appropriate for the FADA. Our rationale for this approach is provided below.

The RGs proposed in the RAP are based on the unique site-specific conditions in and around the FADA. The most significant site feature is the presence of coal ash which is not native soil. As discussed in our meeting on the July 11, 2006, FADA coal ash has been managed as a waste-like material with previous concurrence with the NCDENR (see our response to comment three above).

In addition, the FADA is located in a controlled and isolated area within the Sutton Plant property. These controls include extensive fencing, dense vegetation in the northern portion of the FADA, a sandstone cap along the eastern boundary of Lake Sutton, and grass and six inches of topsoil that minimizes direct contact with ash by on-site workers in the central and southern portion of the FADA. The entire Sutton site is located within an area that is zoned as Heavy Industrial. The RAP also contains provisions for additional engineering controls that will further limit contact with the FADA by trespassers and boaters, and implementation of a LUR to further restrict use of the FADA.

It should be noted that results of the "soil" samples collected during the RI, only two HSL metals were detected slightly above-restricted use RGs (this sample was actually collected in ash material, and not soil as part of the RI sampling program to characterize the apparent petroleum hydrocarbons observed in test pit excavations). Groundwater quality impacts are also limited based on the RI data and the conceptual site model presented in Section 4.0 of the RAP.

Based on the above-referenced factors, we believe an appropriate RG for "soil" within the FADA should be based on a restricted use scenario for the FADA as presented in the RAP.

NCDENR Comment:

7. As indicated above, RGs for soil must meet "protection of groundwater" remedial goals. Typically, containment remedies are only implemented at sites that do not have groundwater contamination above groundwater RGs. Based on the data collected at the site, groundwater is already contaminated above the groundwater RGs, which indicates contamination has already leached from the soil and into the groundwater. The proposed containment remedy will need to demonstrate that sufficient contamination has been treated or removed and the remaining ash and the soil contamination will not continue to produce leachate in concentrations in excess of the groundwater remedial goals and will not affect surface water and sediments in the future.

Progress Energy's Response:

Available RI data indicates that natural attenuation processes are limiting the presence of dissolved-phase arsenic in FADA groundwater. Natural attenuation processes for arsenic are driven mainly by site-

specific geochemical conditions that affect the sorption and precipitation of arsenic in a groundwater regime (Reisinger, et. al., 2005). These processes can be influenced by site-specific redox cycling of arsenic in the subsurface (Reisinger, et. al., 2005). Dilution and dispersion can also reduce arsenic concentrations in groundwater; however, these processes appear limited based on the isolated detections of arsenic in FADA groundwater. Furthermore, arsenic has not been detected in the downgradient shallow and deep monitoring wells (MW-20 and MW-20D). These wells are ideally located to evaluate whether or not a migrating arsenic plume is present from the FADA.

The monitoring program included in the RAP has been prepared to further evaluate these natural attenuation processes by analyzing key geochemical parameters under various seasonal conditions. These data will be collected to confirm whether or not the site-specific geochemical conditions affect the mobility and concentration of arsenic in groundwater. We believe this approach is consistent with the NCDENR's comment.

In addition, as described in our response to comment three, surface water and sediment quality in Lake Sutton are managed by Progress Energy under a separate NPDES permit. Lake Sutton processes several sources of coal ash in accordance with the NPDES permit; therefore, it is not practical to identify potential impacts from the FADA, if any.

NCDENR Comment:

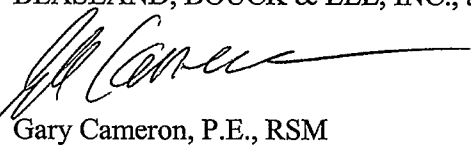
8. Note that land use restriction remedies are perpetual. Annual inspections and reporting on compliance are required with the land use restrictions and begin upon recordation of the land use restriction document. This duty will run with the land and be the owner's duty. The estimated operation and maintenance costs included in the RAP should account for this requirement.

Progress Energy's Response:

Progress Energy appreciates the NCDENR's comments on the Land Use Restriction (LUR) requirements. The LUR implementation proposal is presented in Section 5.3 of the RAP (BBL, 2006). The RAP includes provisions for preparing a work plan that will include an approach for annual inspection of the LUR as required in the REC Guidance.

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,
BLASLAND, BOUCK & LEE, INC., an ARCADIS Company



Gary Cameron, P.E., RSM
Vice President

cc: Kerry MacPherson (Progress Energy)

Harry Sideris (Progress Energy)
Kent Tyndall (Progress Energy)
Scott Davies, P.G., (BBL)

References

Reisinger, H.J., Burris, D. R., and Hering, J.G., 2005. *Remediating Subsurface Arsenic Contamination with Monitored Natural Attenuation*, Environmental Science and Technology. November 15, 2005.



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor

William G. Ross Jr., Secretary

September 21, 2006

Mr. Gary Cameron
Blasland, Bouck & Lee, Inc.
11000 Regency Parkway
West Tower, Suite 205
Cary, North Carolina 27511-8574

REC-LEAD

Re: Warning of Violation
CP&L Sutton Steam Plant
Wilmington, New Hanover County, NC
Site ID No. 000 830 646

Dear Mr. Cameron:

I have performed a partial audit of the March 2006 Remedial Action Plan (RAP) that the Branch received on March 31, 2006 for the above referenced site. The certified RAP document did not address both "health-based" and "protection of groundwater" remedial goals for soil. As required by 15A NCAC .0308(a) of the Registered Environmental Consultant (REC) Rules, RECs shall ensure that the Department's.....cleanup standards as would be applied under CERCLA/SARA are met. The procedures for establishing remediation goals can be found in the *Registered Environmental Consultant Implementation Guidance (Guidance)* document which can be downloaded from our website at <http://www.wastenotnc.org/sfhome/recprog.htm>. It is recommended that you carefully review all aspects of this project and report any REC Rule violations to the Branch before a complete technical audit is performed.

If you have any questions, please contact me.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

cc: Mr. Kerry MacPherson, Progress Energy

Subject: Re: REC Guidance
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Tue, 01 Aug 2006 13:08:13 -0400
To: SCOTT DAVIES <SED@bbl-inc.com>, Gary Caméron <grc@bbl-inc.com>

REC-LEAD

Gary & Scott:

The revised procedures for the REC Guidelines, Appendix E are attached. You still need to use Appendix D for Protection of Groundwater RGs.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

SCOTT DAVIES wrote:

Hi Kim,

Can you send me the new procedure for determining alternate RGs that you mentioned when we were at the Progress Energy site in Wilmington?

Hope all is well on your end.

Thanks Kim.

Scott E. Davies, P.G.
Associate/Sr. Geologist
Blasland, Bouck & Lee
11000 Regency Parkway
West Tower, Suite 205
Cary, NC 27511
Ph: (919) 469-1952 ext. 52254
Direct No.: (919) 415-2254
Fax: (919) 469-5676
sed@bbl-inc.com

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RECGuidanceAppendix E.doc	Content-Type: application/msword Content-Encoding: base64
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Subject: Re: Sutton Cooling Pond
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Wed, 19 Jul 2006 12:58:11 -0400
To: "MacPherson, Kerry" <kerry.macpherson@pgnmail.com>

Thanks. The site visit was very beneficial to understanding the relationship of the disposal area and the surface water bodies in the area.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

REC-LEAD

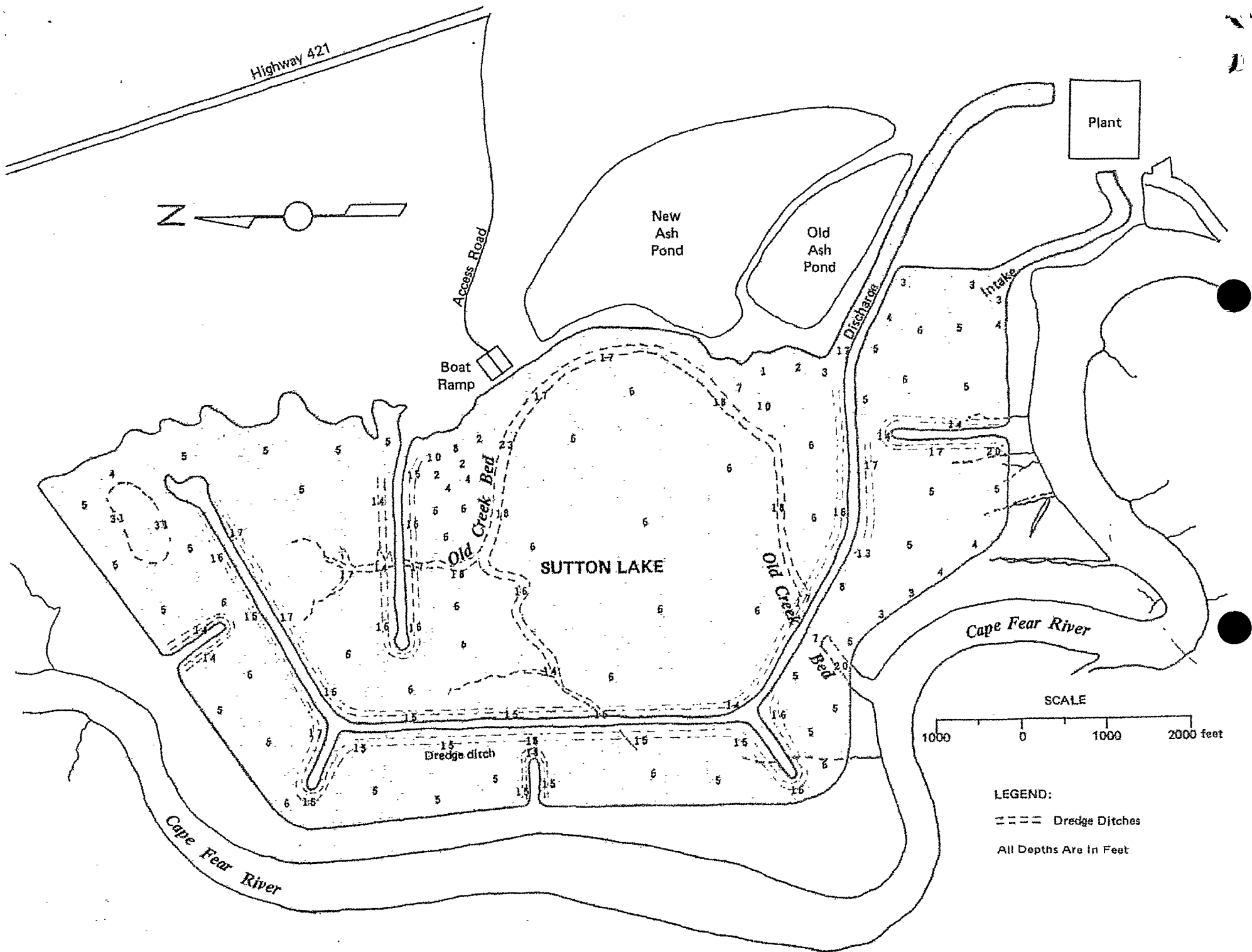
MacPherson, Kerry wrote:

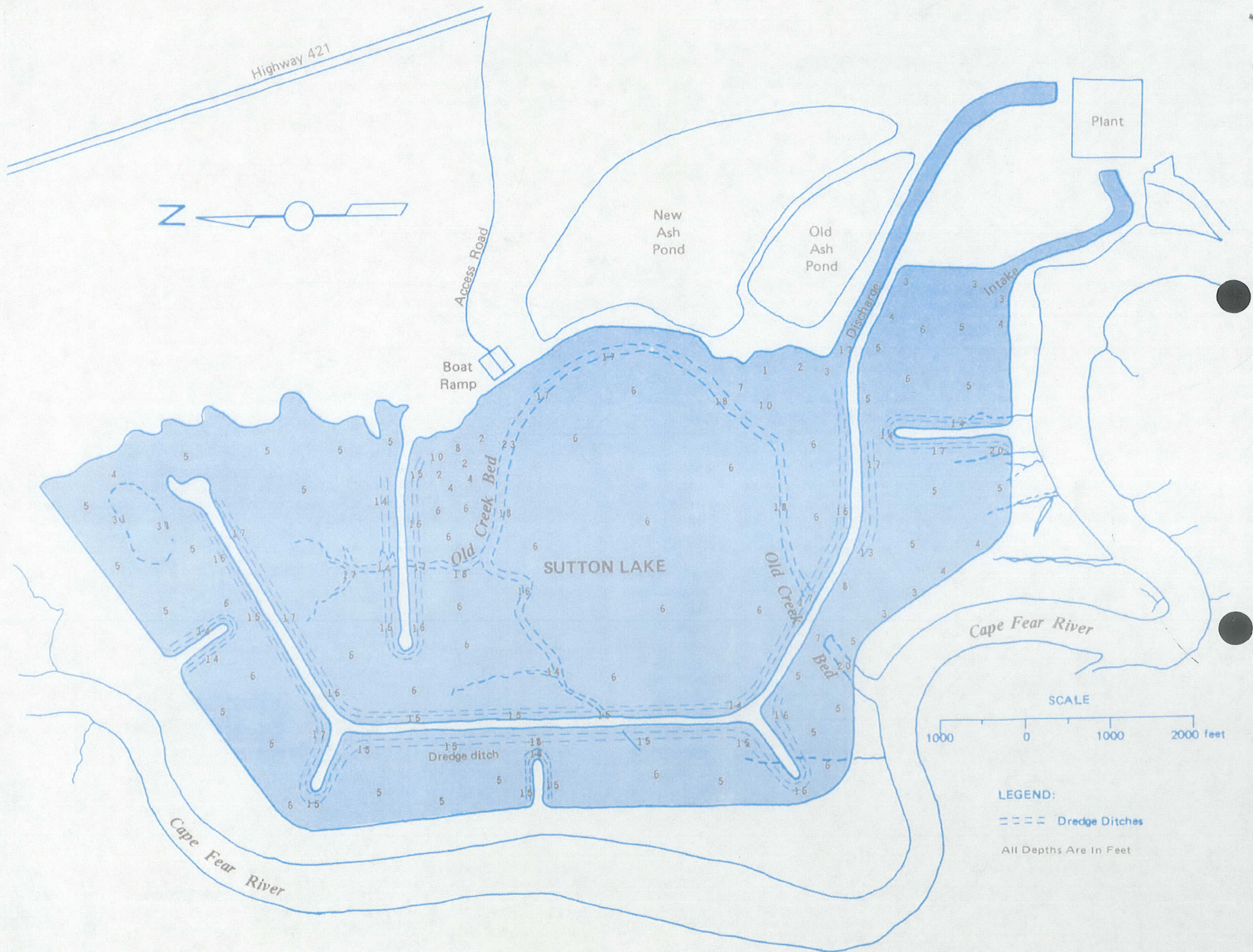
Here is a map of the Sutton Cooling Pond that shows the internal dikes we discussed last week. Water flow is counter clockwise from the discharge to the intake. Note the deeper areas are a result of dike construction.

<<Cooling Pond.pdf>>

Kerry A. MacPherson

Progress Energy
410 South Wilmington Street
Raleigh, North Carolina 27601
(919) 546-6753
Kerry.MacPherson@pgnmail.com







North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor

William G. Ross Jr., Secretary

July 13, 2006

Mr. Gary Cameron
Blasland, Bouck & Lee, Inc.
11000 Regency Parkway
West Tower, Suite 205
Cary, North Carolina 27511-8574

REC-LEAD

Re: Implementation of Groundwater Remediation
CP&L Sutton Steam Plant
Wilmington, New Hanover County, NC
Site ID No. 000 830 646

Dear Mr. Cameron:

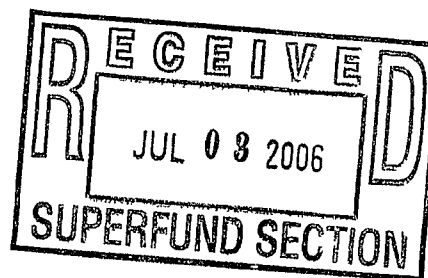
A Registered Environmental Consultant (REC) Administrative Order on Consent (AOC) was executed for the above referenced site on **December 30, 2003**. As indicated in the AOC and the REC Rules, groundwater remediation must be implemented at the site within two years of completion of the remedial investigation or within five years after execution of the AOC, whichever is earlier. For sites which fail to meet the deadline, the AOC between the Remediating Party (RP) and the Division may be dissolved and the site transferred from the Responsible Party Voluntary Remedial Action category to the Sites Priority List category of the Inactive Hazardous Sites Inventory. The RP and REC for these sites may also be subject to enforcement action. Please review the AOC, REC Rules, and the REC Implementation Guidance for additional information.

This letter serves as a reminder regarding the above requirement. If you have any questions, please feel free to call me at (919) 508-8451.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

cc: Mr. Kerry MacPherson, Progress Energy



Transmitted Via Certified Mail

REC-LEAD

June 29, 2006

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: Quarterly Progress Report (Period Covered: 4/1/06 to 6/30/06)
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04016

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy - Carolinas Inc. (Progress Energy) for the L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2004. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (April 1, 2006 through June 30, 2006)

A Remedial Action Plan (RAP) was submitted to DENR at the end of the previous quarter (March 31, 2006). DENR completed its review of the document and provided comments to the plan in a letter dated

June 7, 2006. These comments have been reviewed with the expectation that a written response will be provided early next quarter. In addition, Progress Energy and BBL are planning a tour of the site for Kim Caulk. A tentative date of July 11, 2006 has been selected for this tour.

In summary, substantial progress has been made on the FADA REC project at the Progress Energy Sutton site during this reporting period, and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM
Vice President

cc: Kerry MacPherson (Progress Energy)

Harry Sideris (Progress Energy)

Kent Tyndall (Progress Energy)

Scott Davies, P.G., (BBL)

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON
Printed Name

[Signature]
Signature

6/29/06
Date

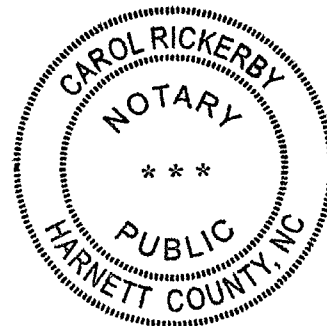
NORTH CAROLINA
State

WAKE
County

I, CAROL RICKERBY, a Notary Public of HARNETT County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 29 day of June, 2006.

[Signature]
Notary Public Signature

My commission expires: My Commission Expires 11-30-2009.



CERTIFICATION STATEMENT

REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Harry Sideris

Printed Name

Harry Sideris

Signature

6/26/06

Date

North Carolina

State

New Hanover

County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that HARRY SIDERIS did personally appear and sign before me
this the 26 day of JUNE, 2006.

Darlene B. Long

Notary Public Signature

My commission expires: 01-22-2011.



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

June 7, 2006

Mr. Gary Cameraon
Blasland, Bouck & Lee, Inc.
11000 Regency Parkway
West Tower, Suite 205
Cary, North Carolina 27511-8574

REC-LEAD

Re: RAP with Proposed Containment Remedy
CP&L Sutton Steam Plant
Wilmington, New Hanover County, NC
Site ID No. 000 830 646

Dear Mr. Cameron:

The Inactive Hazardous Sites Branch (Branch) received the certified March 2006 Remedial Action Plan (RAP) for the above referenced site on March 31, 2006. I have reviewed the proposed containment remedy included with the RAP and provide the following comments:

1. Note that the Branch is only reviewing the proposed use of a containment remedy for the site, which, in accordance with 15A NCAC 13C .0306(i), is a remedial alternative that requires Branch concurrence prior to implementation. The Branch does not review and approve the entire RAP and all data associated with the site when reviewing the recommendation of the Registered Environmental Consultant (REC). Compliance with the REC Rules, including completion of all portions of the RAP, and all other applicable laws from other agencies is the responsibility of the Registered Site Manager (RSM). The latest version of the REC Program Implementation Guidance (Guidance), which can be found on our website at <http://www.wastenotnc.org/sfhome/recprog.htm>, can assist you regarding compliance with the REC Rules. Also, as the current RSM, you should ensure any information that you obtain from work documents prepared by other parties and included in your certified documents is accurate.
2. Page 2-3 discusses a release of No. 6 fuel oil that was investigated at the site. The Branch appreciates your assessment and remedial efforts regarding the fuel oil release, however, you should contact the Division of Water Quality to ensure the release has been adequately addressed.
3. To develop a remedy, it is important that a sufficient number of samples be collected from each environmental medium in order to properly assess the extent and contaminant concentrations at a site. Section 2.4 of the RAP indicates that a limited number of contaminants of concern exceed remedial goals (RGs) at the site. However, based on my review of the remedial investigation summary provided in the RAP, it appears that only 5 shallow groundwater monitoring wells have been installed and sampled for water quality, and some of the wells are not located within or in close proximity to the ash material. Also, the extent of the groundwater contamination within the vicinity of wells MW-13 and MW-15, where remedial goals have been exceeded, is not completely defined. In addition, the ash disposal areas appear to be several acres in size and only 7 soil samples were apparently collected at the site for laboratory analyses and only a few of these samples were collected within the disposal area. The metals content of the ash can vary greatly with the source material. Furthermore, the surface water bodies immediately surrounding the site are a concern of the Branch and only 2 water samples and 2 sediment samples were apparently collected from the Cape Fear River. No samples were apparently collected from Sutton Lake and the adjacent

canal. You need to provide additional support or justification for the proposed containment remedy that the contamination has been adequately characterized in the soil, sediment, surface water, and groundwater. These details should have been addressed during the remedial investigation and should be discussed as part of the proposed containment remedy that must be reviewed by the REC Program.

4. Page 4-4 of the RAP suggests that, since the ash material is younger in the Old Ash Pond (OAP), synthetic precipitation leaching procedure (SPLP) data from the OAP should represent a "worst case" estimate of arsenic concentrations in groundwater. Usually, arsenic concentrations vary depending on the source of the ash material. Therefore, several samples should be collected from each of the different ash materials to determine the contaminants of concern and concentrations so that appropriate remedial goals (RGs) can be evaluated.
5. Page 6-1 of the RAP indicates the North Carolina 2L standard for arsenic is 10 micrograms per liter (ug/l). Note that the 2L standard for arsenic is 50 ug/l, however, the EPA maximum contaminant level (MCL) for arsenic is 10 ug/l which is the RG for arsenic in groundwater as it is lower.
6. Pursuant to the REC Rules, RECs must ensure that Branch cleanup standards are met. The procedures used to determine the RGs, including procedures for determining alternative health-based cleanup levels as you have proposed, are explained in Appendices D and E of the Guidance. The RGs for soil include both "health-based" remedial goals and "protection of groundwater" remedial goals. However, the RAP only discusses unrestricted use RGs for soil. As explained in the Guidance, the lower of the "health-based" remedial goals or "protection of groundwater" remedial goals or the "site-specific natural background concentrations" must be used as RGs for soil. In addition, surface water bodies are immediately adjacent to the site and the RGs for sediment and surface water are not discussed in the RAP. Accordingly, the procedures that you used to establish the remedial goals for the site need further explanation, and clarification is needed regarding the RGs for each constituent of concern in all environmental media.
7. As indicated above, RGs for soil must meet "protection of groundwater" remedial goals. Typically, containment remedies are only implemented at sites that do not have groundwater contamination above groundwater RGs. Based on the data collected at the site, groundwater is already contaminated above the groundwater RGs, which indicates contamination has already leached from the soil and into the groundwater. The proposed containment remedy will need to demonstrate that sufficient contamination has been treated or removed and the remaining ash and the soil contamination will not continue to produce leachate in concentrations in excess of the groundwater remedial goals and will not affect surface water and sediments in the future.
8. Note that land use restriction remedies are perpetual. Annual inspections and reporting on compliance are required with the land use restrictions and begin upon recordation of the land use restriction document. This duty will run with the land and be the owner's duty. The estimated operation and maintenance costs included in the RAP should account for this requirement.

These issues need to be addressed before I can continue my review of the proposed containment remedy.

The Branch appreciates the remedial efforts at the site. If you have any questions or need additional information, please contact me.

Sincerely,



Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

cc: Mr. Kerry MacPherson, Progress Energy
Mr. Harry Sideris, Progress Energy

Subject: Re: Progress Energy - Sutton RAP
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Thu, 04 May 2006 12:56:44 -0400
To: SCOTT DAVIES <SED@bbl-inc.com>

REC-LEAD

Scott:

I have received the RAP, and, on the first page of the cover letter, I noticed there is mention of a LUR. Therefore, I have to review the containment remedy portion of a RAP, which is in addition to the normal/routine things that I have to do. I received several other containment remedies over the last few months that I'm finishing up. I hope to take a look at it in a week or so.

As a quick summary, after I review the remedy and assuming there are no comments that need to address in the RAP, I will send out instructions with a 30-day public notice to mail out. After the public notice is complete and any public comments are addressed, the work phase completion statement can be mailed in and the RAP can be implemented.

Hope this helps.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

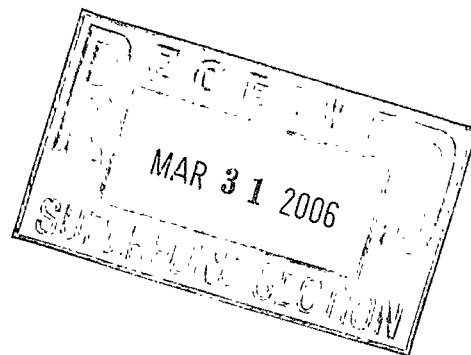
SCOTT DAVIES wrote:

Hi Kim,

I wanted to check in with you regarding the status of the RAP for the Progress Energy Sutton Steam Plant in Wilmington. Can you let me know what the next steps are at this point when you get a chance? Thank you.

Scott E. Davies, P.G.
Associate/Sr. Geologist
Blasland, Bouck & Lee
11000 Regency Parkway
West Tower, Suite 205
Cary, NC 27511
Ph: (919) 469-1952 ext. 52254
Direct No.: (919) 415-2254
Fax: (919) 469-5676
sed@bbl-inc.com

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Hand Delivered by BBL

March 31, 2006

REC-LEAD

Mr. Kim Caulk, P.G.
Department of Environment
and Natural Resources
Superfund Section
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646

Re: Submittal of Remedial Action Plan and Land Use Restriction Proposal
Former Ash Disposal Area
Progress Energy Carolinas Inc.
L.V. Sutton Steam Electric Plant
Wilmington, North Carolina
NCD 000 830 646
BBL Project #: 04016

Dear Mr. Caulk:

The attached Remedial Action Plan (RAP) has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy Carolinas, Inc. (Progress Energy) by Blasland, Bouck and Lee, Inc. (BBL) for the Former Ash Disposal Area (FADA) at the L.V. Sutton Steam Electric Plant located at 801 Sutton Steam Plant Road in Wilmington, New Hanover County, North Carolina. The RAP has been prepared pursuant to a voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas Inc. and the North Carolina Department of Environment and Natural Resources (NCDENR) in October 2003. This RAP has been prepared to meet the applicable requirements of the North Carolina General Statute 130-310.9(c), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules, and 15A NCAC 13C.0300 *Registered Environmental Consultant Implementation Guidance* dated August 2004.

Please note that submittal of this RAP is also intended to fulfill the quarterly progress report requirement for March 2006 as outlined in Section III (B) of the Administrative Agreement between Progress Energy and NCDENR.

Notification of Proposed Land Use Restrictions (LURs) for the FADA

Pursuant to Appendix F, Section F.1.1, this letter is also intended to provide notification to the Inactive Hazardous Site Branch (IHSB) that Progress Energy is proposing to use LURs as part of the remedial action for soil and ash material within the FADA. Information regarding additional remedial actions

proposed for the FADA are presented in the RAP. Supporting information this LUR proposal is provided below.

Request for Remediation Goals

Progress Energy proposes to use RGs for the limited number of COCs in soil/ash based on direct contact exposure pathway for an industrial use scenario. This approach is consistent with the projected future use of the Sutton plant as a power generation facility and the isolated location of the FADA within the large property buffer around the area. Therefore, Progress Energy proposes that USEPA Region 9 Preliminary Remediation Goals (PRGs) for industrial use (the NCDENR industrial soil-to-groundwater MSCC is proposed for C9 through C22 aromatic EPH) are used for soil RGs for the FADA. A summary of the proposed RGs are presented in the attached table and in Table 2-10 of the RAP. Please note that the industrial PRG for arsenic is 1.6 mg/kg. This value is based on a cancer risk of one-in-one million [10^{-6}]. This value is below the regional soil arsenic background concentration for arsenic of approximately 3.6 mg/kg reported by Shacklette and Boerngen, (1984) and is conservative given the industrial use of the Sutton facility and location and limited accessibility of the FADA within the site property. Therefore, it is proposed that the arsenic PRG be adjusted to 16 mg/kg based on an USEPA cancer risk range of 10^{-5} . This approach is conservative for an industrial setting and is within USEPA's acceptable cancer risk range of 10^{-6} to 10^{-4} . Progress Energy respectfully requests the IHSB's concurrence with this approach.

Sutton Site Description

The Sutton Site is located on approximately 3,300 acres of land near Wilmington, New Hanover County, North Carolina. Progress Energy has been the sole property owner since 1952. The FADA is located in the central portion of the property. Other notable site features include the main steam plant area, an 11-million-gallon aboveground storage tank (AST) located within the FADA, the "old" ash pond (operated mainly from 1972 to 1985), the "new" ash pond (operated from 1985 to present), and Sutton Lake.

The Sutton Site consists of three coal-fired boilers (steam) units and three internal combustion turbine (CT) generators units. The steam units primarily operate on bituminous coal and burn American Society of Testing Materials (ASTM) Grade No. 2 fuel oil for startup/shutdown of boiler, and flame stabilization. Although the CT generator units primarily operate on ASTM Grade No. 2 fuel oil, they can also burn natural gas. No. 2 fuel oil is normally offloaded from trucks that deliver fuel oil to the site. The fuel oil is stored in onsite ASTs prior to transfer to the steam or CT generator units for use in generating electricity for Progress Energy's customers.

The Sutton Site receives its process cooling water from the 1,110-acre Sutton Lake. Sutton Lake is an off-stream cooling water reservoir that stores water and dissipates heat absorbed by the water in passing through the plant condensers. Sutton Lake is located along the east bank of the Cape Fear River immediately upstream (north) from the Sutton plant area. Sutton Lake is a closed body of water with no channels or other uncontrolled connections between the Cape Fear River and other natural bodies of water. Sutton Lake is considered a cooling lake; therefore, it is not considered navigable water. Make-up water for Sutton Lake is taken from the Cape Fear River to replace the water lost by evaporation and seepage. Water is occasionally discharged from Sutton Lake to the Cape Fear River by raising one or both of the six-foot by four-foot sluice gates located on the western perimeter of the lake that connect to the Cape Fear River. These periodic and controlled releases are performed in accordance with the Sutton Site's National Pollutant Discharge Elimination System (NPDES) Permit.

Surrounding Site Description

The Sutton Site is adjacent to the Cape Fear River, which is classified by NCDENR as Class C-Swamp waters in the Cape Fear River Basin. The immediate vicinity of the Sutton Site is generally rural with relatively few residences close by to the Sutton Site. The area surrounding the Sutton Site is mainly industrial, with many industrial facilities located along Highway 421. Several businesses are located within one mile of the Sutton Plant, including the Maola Dairy distribution center and Ezzell Trucking Company. Two water supply wells operated by New Hanover County are located approximately 4,000 feet east of the FADA. These wells supply water to approximately 45 homes and 20 businesses in the area including the Sutton Plant.

Proposed Site Use

The Sutton site is a power generation facility that provides electricity for the Wilmington area. The site is expected to continue operating in this capacity for the foreseeable future.

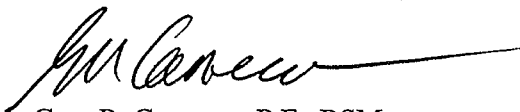
Current and Proposed Zoning of the Site and Surrounding Properties

The Sutton Steam Plant and surrounding area is zoned in the I-2 Industrial District (ID). The I-2 ID is a heavy industrial zone. Its purpose is to provide for uses that would produce excessive noise, odor, smoke, dust, air-borne debris, or any other objectionable characteristics. It is the least restrictive zoning district. The zoning for the Sutton site and surrounding area is not expected to change in the near future.

If you have any questions regarding this request or the RAP, please feel free to call me at 919-469-1952, ext: 11.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



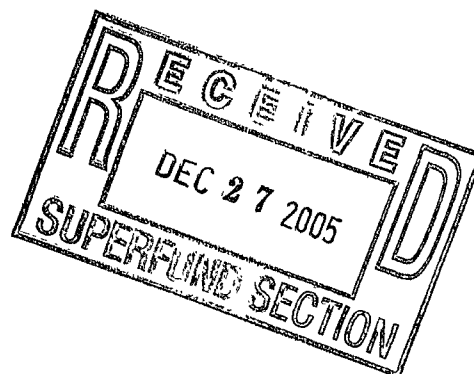
Gary R. Cameron, P.E., RSM
Vice-President

DCHP/sed

cc: Kerry MacPherson (Progress Energy)
M. Shawn Longfellow (Progress Energy)
R. Kent Tyndall (Progress Energy)
Scott E. Davies, P.G. (BBL)

sed

Enclosures: 1



Transmitted Via Certified Mail

December 31, 2005

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

REC-LEAD

Re: Quarterly Progress Report (Period Covered: 10/1/05 to 12/31/05)
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04016.003

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy - Carolinas Inc. (Progress Energy) for the L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2005. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (July 1, 2005 through September 30, 2005)

During this reporting period the following activities were, or will be completed by January 1, 2006:

- BBL had FADA monitoring well MW-13R surveyed in November 2005. MW-13R is a replacement well for MW-13 which was damaged during repair of a nearby coal ash return line.
- BBL has completed a draft RAP for the FADA, which is currently undergoing review by Progress Energy. It is anticipated that the RAP will be submitted to the NCDENR during the next reporting period.

In summary, progress has been made on the FADA REC project at the Progress Energy Sutton site during this reporting period, and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM
Vice President

SED
Enclosure

cc: Kerry MacPherson (Progress Energy)

Shawn Longfellow (Progress Energy)
Kent Tyndall (Progress Energy)
Scott Davies, P.G., (BBL)

CERTIFICATION STATEMENT


REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Michael Shawn Longfellow
Printed Name


Signature

12-16-05
Date

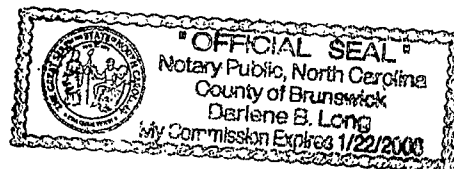
North Carolina
State

New Hanover
County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that MICHAEL SHAWN LONGFELLOW did personally appear and sign before me
this the 16th day of DECEMBER, 2005.


Notary Public Signature

My commission expires: 1-22-06



CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON

Printed Name

[Signature]

Signature

12/22/05

Date

NORTH CAROLINA

State

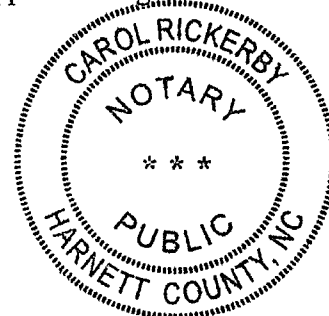
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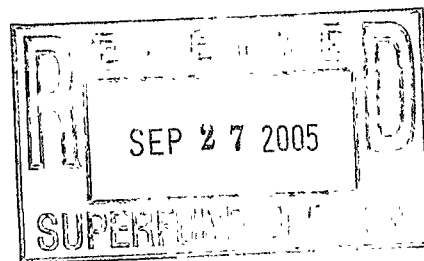
County

I, CAROL RICKERBY, a Notary Public of HARNETT County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 22 day of December, 2005.

[Signature]
Notary Public Signature

My commission expires: 11-30-2009
(Nov)





Transmitted Via Certified Mail

September 26, 2005

REC-LEAD

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: Quarterly Progress Report (Period Covered: 7/1/05 to 9/30/05)
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04016.003

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared on behalf of Carolina Power and Light Company d/b/a Progress Energy - Carolinas Inc. (Progress Energy) for the L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2004. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (July 1, 2005 through September 30, 2005)

During this reporting period the following activities were, or will be completed by October 1, 2005:

- Collection of groundwater samples from the nine FADA monitoring wells on July 27 and August 9, 2005 for ferrous iron analysis using the Hach field test method. This data was collected to support preparation of the Remedial Action Plan (RAP) for the FADA.
- On July 27, 2005, BBL conducted a synoptic groundwater gauging event of five shallow and four deep monitoring wells, and one shallow piezometer within the FADA as required under Section A.3.1. of the REC Guidance. The results of this gauging event were submitted to the NCDENR in a letter dated August 23, 2005.
- BBL replaced FADA monitoring well MW-13 which was damaged during repair of a pipeline located near the well. A letter documenting the replacement of MW-13 was submitted to the NCDENR on August 23, 2005. In addition, Attachment 1 to this progress report includes the well abandonment form for MW-13, and the well completion form for replacement monitoring well MW-13R. Also attached is a copy of the non-hazardous waste manifest for the investigation derived waste generated during well replacement activities.
- BBL is preparing a draft RAP for the FADA. It is anticipated that the RAP will be submitted to the NCDENR during the next reporting period.

In summary, substantial progress has been made on the FADA REC project at the Progress Energy Sutton site during this reporting period, and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM
Vice President

SED
Enclosure

cc: Kerry MacPherson (Progress Energy)

Shawn Longfellow (Progress Energy)
Kent Tyndall (Progress Energy)
Scott Davies, P.G., (BBL)

CERTIFICATION STATEMENT

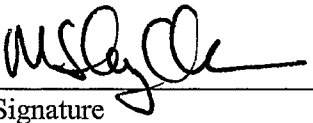
REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Michael Shawn Longfellow
Printed Name

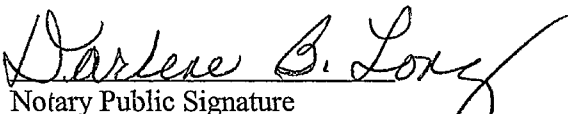

Signature

9-21-05
Date

North Carolina
State

New Hanover
County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that MICHAEL SHAWN LONGFELLOW did personally appear and sign before me
this the 21st day of September, 2005.


Notary Public Signature

My commission expires: 1-22-06.

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON, P.E.

Printed Name

[Signature]

Signature

9/26/05

Date

North Carolina

State

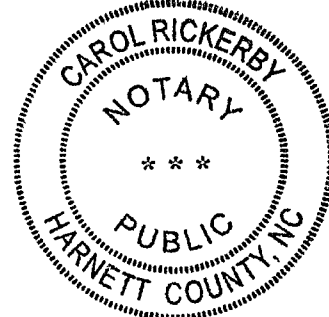
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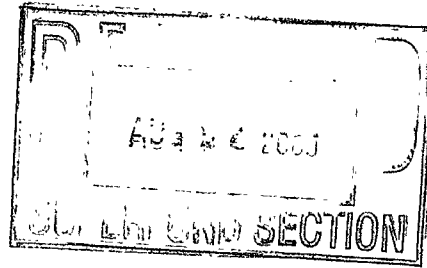
County

I, CAROL RICKERBY, a Notary Public of ^{HARNETT}~~Wake~~ County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 26 day of September, 2005.

Carol Rickerby
Notary Public Signature

My commission expires: My Commission Expires 11-30-2009.





Transmitted Via Certified Mail

August 23, 2005

REC-LEAD

Mr. Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch – REC Program
North Carolina Department of
Environment and Natural Resources
Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605

Re: Ash Management Investigation
Groundwater Monitoring Results – Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Steam Electric Plant
Wilmington, New Hanover County, NC
BBL No: 04016.002

Dear Mr. Caulk:

Blasland, Bouck, and Lee, Inc. (BBL) on behalf of Progress Energy Service Co., LLC (Progress Energy) is pleased to present the results of groundwater monitoring activities conducted at the Progress Energy L.V. Sutton Steam Electric Plant (the Site) located at 801 Sutton Steam Plant Road in Wilmington, New Hanover County, North Carolina. Monitoring activities were conducted for the Former Ash Disposal Area (FADA) in accordance with Section A.3.1 (paragraph 4) of the North Carolina Department of Environment and Natural Resources (NCDENR), Registered Environmental Consultant Program (REC) Implementation Guidance (effective August 2004). Site activities are summarized in the following paragraph.

On July 27, 2005, BBL collected one synoptic round of groundwater-level measurements from all FADA permanent monitoring wells and permanent piezometer PZ-10 (see **Figure 1**). The measurements were made with a properly decontaminated electronic water-level probe. Depth-to-water measurements were measured from the surveyed top of inner casing to the nearest 0.01 foot. Shallow groundwater measurements collected from five monitoring wells and permanent piezometer PZ-10 ranged from 0.55 feet below ground surface (ft bgs) at MW-15 to 5.16 ft bgs at MW-20. Deep groundwater measurements collected from four groundwater monitoring wells ranged from 0.68 ft bgs at MW-15D to 5.34 ft bgs at MW-13D. Depth-to-groundwater measurements were converted to groundwater elevations and were used to create potentiometric surface maps for wells screened near the water table (shallow groundwater) and toward the base of the surficial aquifer unit (deep groundwater). Potentiometric surface maps for shallow and deep groundwater for the July 2005 monitoring event are presented as **Figures 1 and 2**. Historical groundwater elevation data are provided in **Table 1**. As shown, groundwater within the FADA generally

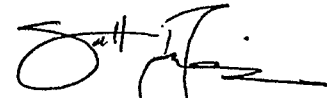
flows to the south and southwest which is consistent with the previous Remedial Investigation (RI) groundwater monitoring results.

Please note that monitoring well MW-13 was damaged during repairs to a nearby underground pipeline. The well was properly abandoned and replaced with a new monitoring well (MW-13R). A log of this well is included in Attachment A with this letter for your records.

Lastly, this is the final submittal of groundwater elevation data submitted per Section A.3.1 of the REC Guidance since the RI is now complete.

Please contact me with any questions or comments at 919-469-1952, ext: 17, or by electronic mail at sed@bbl-inc.com.

Sincerely,
BLASLAND, BOUCK & LEE, INC.



Scott E. Davies, P.G.
Associate/Senior Geologist II

DCHP/sed

Attachments: Table 1 - Historical Groundwater Elevation Data
Figures 1 and 2 – Potentiometric Surface Maps
Attachment A - MW-13R Well Construction Log

cc: Gary Cameron, P.E. (BBL)
Kerry MacPherson (Progress Energy)
Kent Tyndall (Progress Energy)

Table

Table 1
Historical Groundwater Elevation Data
Progress Energy - L.V. Sutton Steam Electric Plant
Former Ash Disposal Area
Wilmington, North Carolina

Well Designation	Date	Top of Casing Elevation (ft amsl)	Depth to Water (ft btoc)	Groundwater Elevation (ft msl)
Permanent Monitoring Wells				
MW-13	6/04	18.21	8.96	9.25
	2/05	18.21	7.89	10.32
	7/05	18.21	8.04	10.17
MW-13D	2/05	18.16	7.81	10.35
	7/05	18.16	7.97	10.19
MW-14	6/04	14.15	5.16	8.99
	2/05	14.15	4.23	9.92
	7/05	14.15	4.53	9.62
MW-15	6/04	11.47	2.94	8.53
	2/05	11.47	3.35	8.12
	7/05	11.47	3.49	7.98
MW-15D	2/05	11.21	3.13	8.08
	7/05	11.21	3.28	7.93
MW-16	6/04	16.91	7.60	9.31
	2/05	16.91	6.75	10.16
	7/05	16.91	6.97	9.94
MW-16D	2/05	16.43	6.38	10.05
	7/05	16.43	6.62	9.81
MW-20	2/05	13.70	7.92	5.78
	7/05	13.70	8.08	5.62
MW-20D	2/05	13.66	7.90	5.76
	7/05	13.66	8.09	5.57
Permanent Piezometer				
PZ-10	6/04	12.82	4.31	8.51
	2/05	12.82	3.43	9.39
	7/05	12.82	3.70	9.12

Notes:

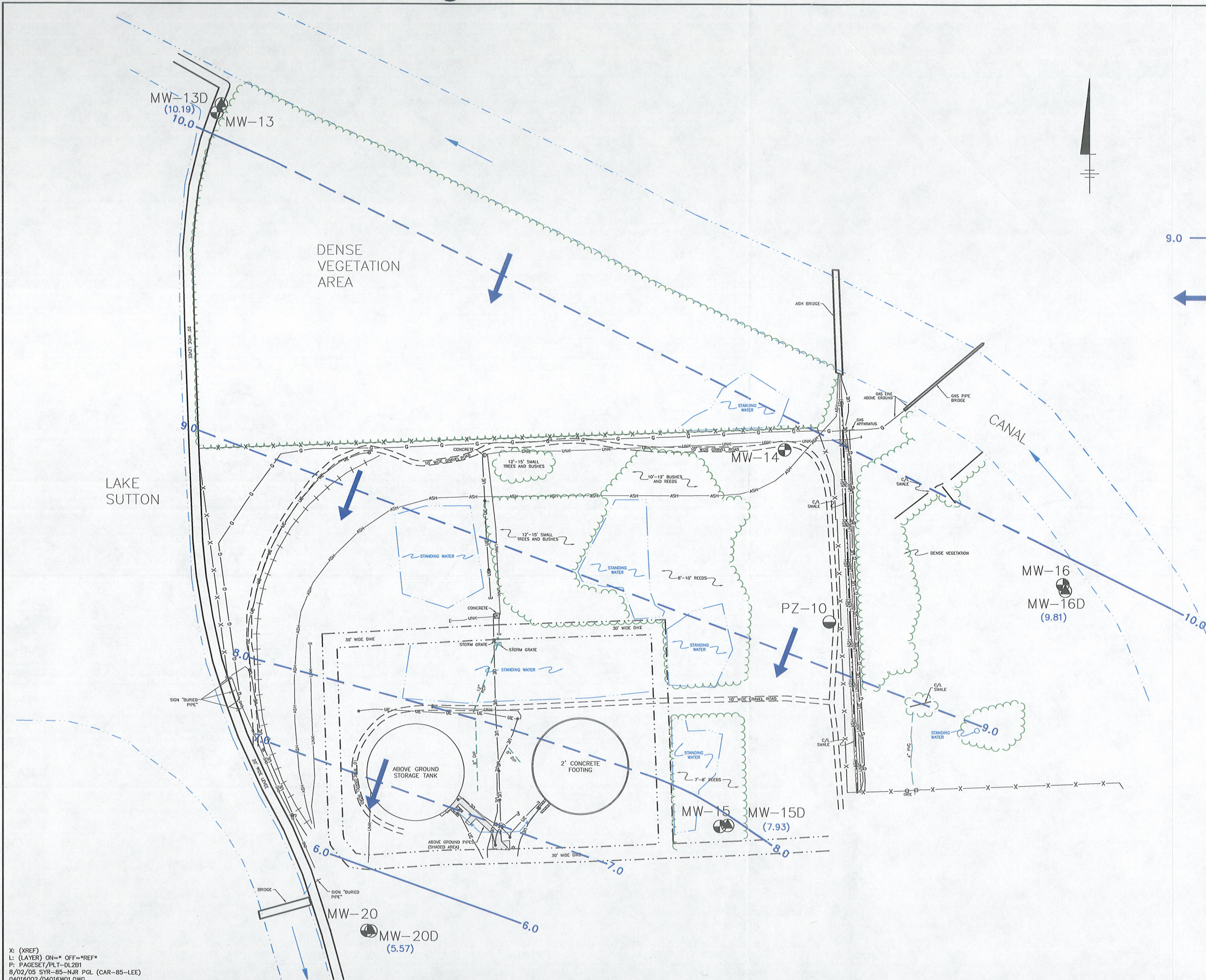
ft amsl = feet above mean sea level.

ft msl = feet mean sea level.

ft btoc = feet below top of casing.

D denotes deep groundwater monitoring well.

Figures



SYMBOL LEGEND

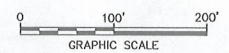
- ⊗ EXISTING DEEP MONITORING WELL
- ⊕ EXISTING SHALLOW MONITORING WELL
- PERMANENT PIEZOMETER
- UTILITY RISER
- ☆ LIGHT POLE
- (10.19) GROUNDWATER ELEVATION
- 9.0 — GROUNDWATER ELEVATION CONTOUR LINE (DASHED WHERE INFERRED). CONTOUR INTERVAL = 1.0 FT.
- ← DIRECTION OF GROUNDWATER FLOW

LINE LEGEND

- X—X—X—X— FENCE LINE
- G—G—G—G— GAS LINE
- ASH—ASH—ASH—ASH— ASH LINE
- GND—GND—GND—GND— GROUND WIRE LINE
- UE—UE—UE—UE— UNDERGROUND ELECTRIC
- W—W—W—W— WATER LINE
- — — — — DIKE LINE
- — — — — STANDING WATER
- — — — — STORM PIPE
- +++++ RAILROAD TRACK (C/L)
- ~~~~~ TREE/VEGETATION LINE
- UNK—UNK—UNK—UNK— UNKNOWN LINE
- — — — — GRAVEL ROAD

NOTE:

1. SOURCE: SURVEY PROVIDED BY 'TAYLOR, WISEMAN & TAYLOR', 3500 Regency Parkway, Suite H, Cary N.C., 919-297-0085, (PROJECT NO. 70488.0005) DATED JUNE 23, 2004. REVISIONS MADE ON JULY 7, 2004 AND FEB. 23, 2005.



X: (XREF)
 L: (LAYER) ON=* OFF=*REF*
 P: PAGESET/PLT-DL2B1
 8/02/05 SYR-85-NJR PGL (CAR-85-LEE)
 04016002/04016W01.DWG

PROGRESS ENERGY
 L.V. SUTTON STEAM ELECTRIC PLANT, WILMINGTON, N.C.
 REMEDIAL INVESTIGATION ACTIVITIES

DEEP GROUNDWATER
 POTENTIOMETRIC SURFACE MAP -
 FORMER ASH DISPOSAL AREA -
 JULY 27, 2005




Attachment A

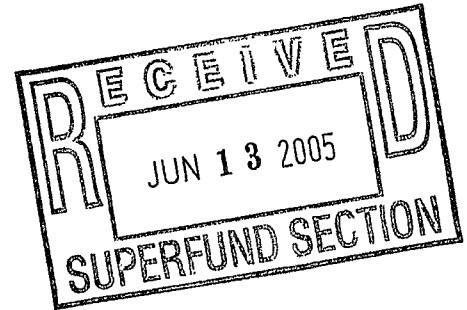
MW-13R Well Construction Log

Date Start/Finish: 08-09-05 Drilling Company: Parratt Wolfe Driller's Name: Lewis LeFevre Drilling Method: HSA Bit Size: NA Auger Size: 4.25-inch I.D. Rig Type: NA Sampling Method: 24-inch splitspoon	Northing: NA Easting: NA Casing Elevation: NA Borehole Depth: 18 ft bgs Surface Elevation: NA Geologist:	Well/Boring ID: MW-13R Client: Progress Energy Location: Progress Energy L.V. Sutton Steam Electric Plant Wilmington, NC Former Ash Disposal Area
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DEPTH (feet)	ELEVATION (feet AMSL)	Recovery (inches)	Blows / 6 inches	Ni - Value	PID Headspace (ppm)	Analytical Sample	Geologic Column	Stratigraphic Description	Well/Boring Construction
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0	0							Topsoil, trace coarse gravel, low organic content, dry to slightly damp, no odors. SAND and ASH, dark grey, silt to fine grained, very loose, slightly damp to damp, no odor.	protective above ground steel casing (+3.0'-0.0') Cement pad (2'x2') Bentonite grout (0.0'-5.0') 2-inch SCH 40 PVC riser (+3.0' - 8.0')
-5	-5	19	2 2 1 3	3	0.0			SAND and ASH, dark grey, silt to fine grained, very loose, slightly damp to damp, no odor.	
								clayey SAND (SC), dark grey, fine grained, low plasticity, very soft, wet, no odor.	Bentonite chips (5.0'-7.0') 8.25-inch nominal borehole (0.0'-18.0')
-10	-10	24	3 1 4 5	5	0.0			clayey SAND (SC), dark grey, fine grained, low plasticity, medium soft, wet, no odor.	2-inch 0.010 slot PVC screen (8.0' - 18.0')
		19	5 4 5 4	9	0.0			SAND (SM), grey, mottled tan, fine grained, loose, wet, no odor. SAND (SM), dark brown, fine grained, loose, saturated, organic sulphur odor.	Well Sand Pack No. 1 (7.0'-18.0')
-15	-15							SAND (SM), brown to dark brown, fine to medium grained, loose, wet, no odor (lithologic information was not obtained for 13' - 18', description provided is for adjacent well MW-13D).	
Boring terminated at 18.0 ft bls									

 BLASLAND, BOUCK & LEE, INC. <i>engineers & scientists</i>	Remarks: HSA = Hollow Stem Auger NA = Not Applicable ft bls = feet below land surface 1. Lithologic data collected during the installation of MW-13 on May 24, 2004. 2. Survey data has not been collected for MW-13R; however,	Water Level Data <table border="1"> <thead> <tr> <th>Date</th> <th>Depth</th> <th>Elev.</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date	Depth	Elev.												
	Date	Depth	Elev.														
		Depth measured from top of casing															



CERTIFIED MAIL

June 9, 2005

Mr. Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605

REC-LEAD

Re: Phase II Remedial Investigation Report – Transmittal of RSM Certification Statement
Former Ash Disposal Area
Progress Energy Carolina's Inc.
L.V. Sutton Steam Electric Plant
Wilmington, North Carolina
NCD 000 830 646
BBL Project #: 04015

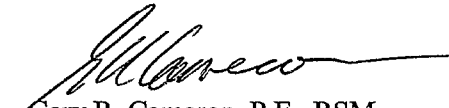
Dear Mr. Caulk:

Attached please find the completed Registered Site Manager (RSM) Certification Statement for the Phase II Remedial Investigation Report (RIR) for the Former Ash Disposal Area at the L.V. Sutton Steam Electric Plant located at 801 Sutton Steam Plant Road in Wilmington, New Hanover County, North Carolina. As we discussed, this certification statement was not included with the Phase II RIR submitted to the Department on May 27, 2005. I understand that the guidance requires this certification in addition to the RI Completion certification which was included in the May 27 submittal.

Please place this statement in front of the Remedial Investigation Completion Certification located in the front of the Phase II RIR. If you have any questions, please feel free to call me at 919-469-1952, ext: 11.

Sincerely,

BLASLAND, BOUCK & LEE, INC.


Gary R. Cameron, P.E., RSM
Vice-President

cc: Scott E. Davies, P.G. (BBL)

sed

Enclosures: 1

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
L.V. SUTTON STEAM ELECTRIC PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

PHASE II REMEDIAL INVESTIGATION REPORT

REC-LEAD

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Gary R. Cameron, P.E.

Printed Name

G. R. Cameron
Signature

6/9/05
Date

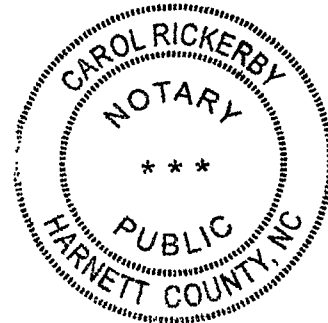
North Carolina
State

Wake
County

I, CAROL RICKERBY, a Notary Public of ^{HARNETT}~~said~~ County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 9th day of June, 2005.

Carol Rickerby
Notary Public Signature

My commission expires: My Commission Expires 11-30-2009.



Subject: CP&L Sutton Steam Plant & Std. DPLUR
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Tue, 07 Jun 2005 15:31:12 -0400
To: SED@BBL-INC.com

REC-LEAD

Scott:

Per our meeting today, attached is standard Declaration of Perpetual Land Use Restrictions (DPLUR). The Branch will make the changes and maintain the electronic version of the document. Once it is final, we will mail it out for signatures and recording. Regarding the RGs and DPLUR, please follow the procedures in the REC Guidelines.

Feel free to contact me if you have any questions.

--

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

Subject: Re: Sutton

From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

Date: Fri, 03 Jun 2005 13:02:28 -0400

To: "MacPherson, Kerry" <kerry.macpherson@pgnmail.com>

CC: SED@BBL-INC.com

I have a small room in the file room reserved, so I hope the meeting won't be too long.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

MacPherson, Kerry wrote:

Thanks for returning my call. As I mentioned, Scott Davies and I would like to have a short meeting with you to discuss the next steps at Sutton. If it works with you - Tuesday (June 7th) at 10:00 in your office. Unless I hear differently, we will see you then. Have a good weekend.

Kerry A. MacPherson

Project Manager

Environmental Support & Remediation

Progress Energy Service Company - PEB 4A

410 South Wilmington Street

Raleigh, NC 27601

(919) 546-6753

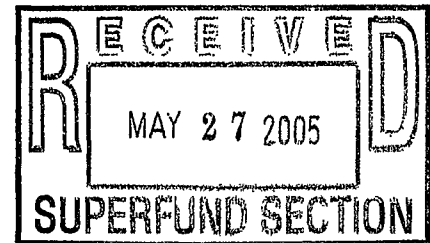
Kerry.MacPherson@PGNMail.com



Hand Delivered by BBL

May 26, 2005

Mr. Kim Caulk, P.G.
Department of Environment
and Natural Resources
Superfund Section
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646



Re: Submittal of Phase II Remedial Investigation Report
Former Ash Disposal Area
Progress Energy Carolina's Inc.
L.V. Sutton Steam Electric Plant
Wilmington, North Carolina
NCD 000 830 646
BBL Project #: 04015

Dear Mr. Caulk:

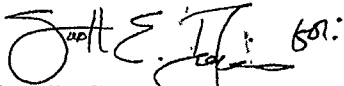
The attached Phase II Remedial Investigation Report (RIR) has been prepared on behalf of Progress Energy by Blasland, Bouck and Lee, Inc. (BBL) for the Former Ash Disposal Area at the L.V. Sutton Steam Electric Plant located at 801 Sutton Steam Plant Road in Wilmington, New Hanover County, North Carolina. The Phase II RIR has been prepared pursuant to a voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolina's Inc. and the North Carolina Department of Environment and Natural Resources (NCDENR) in October 2003. This Phase II RIR has been prepared to meet the applicable requirements of the North Carolina General Statute 130-310.9(c), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules, and 15A NCAC 13C.0300 *Registered Environmental Consultant Implementation Guidance* dated August 2004.

Please note that submittal of this Phase II RIR is also intended to fulfill the quarterly progress report requirement for July 2005 as outlined in Section III (B) of the Administrative Agreement between Progress Energy and NCDENR.

If you have any questions regarding this report, please feel free to call me at 919-469-1952, ext: 11.

Sincerely,

BLASLAND, BOUCK & LEE, INC.


Gary R. Cameron, P.E., RSM
Vice-President

DCHP/sed

cc: Kerry MacPherson (Progress Energy)
M. Shawn Longfellow (Progress Energy)
R. Kent Tyndall (Progress Energy)
Scott E. Davies, P.G. (BBL)
Daniel C.H. Peterman (BBL)

DCHP/sed
Enclosures: 1

Subject: CP&L Sutton Steam Plant Status Report
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Fri, 01 Apr 2005 14:58:20 -0500
To: Gary Cameron <grc@bbl-inc.com>

REC-LEAD

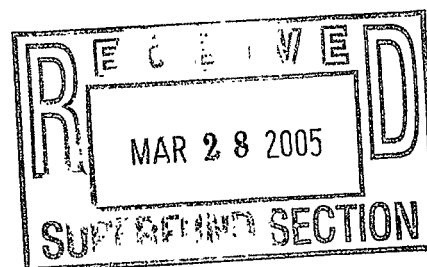
Gary:

FYI, I received your Phase II Work Plan during this quarter (in January), which gave the files an update on the project status. Therefore, you didn't have to submit recent quarterly status report for this quarter since we had already received the work plan. Also, it's ok that you included the certification statements, but the short letter status reports don't have to include the certification statements.....they just have to be notarized. The information that you submitted is fine, just more than you had to do for the files.

Thanks.

--

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NC DWM - Superfund Section
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919)733-2801, ext. 364
Fax: (919)733-4811
e-mail: kim.caulk@ncmail.net



Transmitted Via Certified Mail

March 25, 2004

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

REC-LEAD

Re: Quarterly Progress Report (Period Covered: 1/1/05 to 3/31/05)
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04015.004

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared for Progress Energy's L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2004. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (January 1, 2005 through March 31, 2005)

During this reporting period the following activities were, or will be completed by April 1, 2005:

- Preparation of the Phase II Remedial Investigation Work Plan (RIWP), which was submitted to the NCDENR on January 25, 2005.
- The Phase II RI field activities were completed on February 17, 2005 and included the following scope of work:
 - Collection of five background soil samples to evaluate background metal concentrations as required in the REC Guidance.
 - The advancement of 16 soil borings and associated soil sampling around test pits TP-1 and TP-12, and TP-16/TP-20 to delineate the horizontal and vertical extent of petroleum hydrocarbons identified during the Phase I RI field activities.
 - Collection of related quality control/quality assurance (QA/QC) samples per the REC Guidance.
 - The advancement of two additional soil borings to further characterization of the horizontal and vertical extent of the ash unit within the heavily vegetated area located on the northern portion of the FADA.
 - The installation of six shallow temporary piezometers to better determine the shallow groundwater flow direction in and around the FADA.
 - Installation of five additional monitoring wells (one shallow and four deep wells), and associated groundwater sampling to further characterize the lateral and vertical extent of constituents of concern (COCs) in the FADA.
 - One synoptic groundwater gauging event of all piezometers, and new and existing monitoring wells within the FADA.
- BBL initiated preparation of the Phase II RI Report for the FADA based on the results of the scope of work described above.

In summary, substantial progress has been made on the Phase II RI at the Progress Energy Sutton site during this reporting period, and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM
Vice President

SED
Enclosure

cc: Kerry MacPherson

Shawn Longfellow
Kent Tyndall
Scott Davies

CERTIFICATION STATEMENT

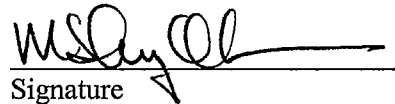
REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Michael Shawn Longfellow
Printed Name


Signature

3-14-05
Date

North Carolina
State

New Hanover
County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that Michael Shawn Longfellow did personally appear and sign before me
this the 14th day of MARCH, 2005.


Notary Public Signature

My commission expires: 1-22-06.

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON
Printed Name

[Signature]
Signature

3/25/05
Date

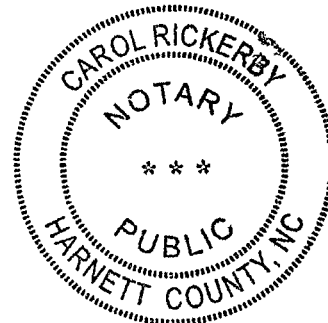
NORTH CAROLINA
State

WAKE
County

I, CAROL RICKERBY, a Notary Public of HARNETT ~~said County~~ and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 25 day of March, 2005.

[Signature]
Notary Public Signature

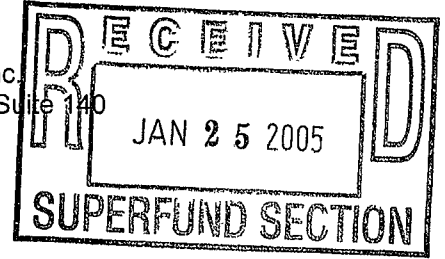
My commission expires: My Commission Expires 11-30-2009.



Transmittal

Transmitted via Hand Delivery

Blasland, Bouck & Lee, Inc.
3700 Regency Parkway, Suite 140
Cary, NC 27511



To: Kim Caulk
Division of Waste Management
Inactive Hazardous Sites Branch
401 Oberlin Road
Raleigh, NC

Date: January 24, 2005

File:

Re: Phase II RI Work Plan for the FADA
L.V. Sutton Steam Electric Plant
Wilmington, NC

REC-LEAD

We are sending you: ☐ herewith ☐ under separate cover
☐ drawings ☐ letters ☐ other _____

If material received is not as listed, please notify us at once.

Quantity	Identifying Number	Title	Action*
1		Phase II RI Work Plan for the FADA L.V. Sutton Steam Electric Plant Wilmington, NC	I

*Action letter code: R – for your review N - reviewed and noted I - for your information
S - resubmit J - rejected Y - for your approval

Remarks:

A copy of the referenced work plan is attached for your file.

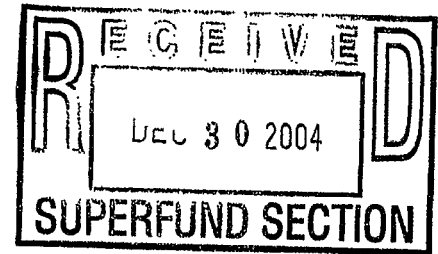
Sincerely,

BLASLAND, BOUCK & LEE, INC.

cc: Scott E. Davies, P.G.

Gary R. Cameron, P.E.

REC-LEAD



Transmitted Via Certified Mail

December 15, 2004

Mr. Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: Quarterly Progress Report (Period Covered: 10/1/04 to 1/1/05)
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
L.V. Sutton Electric Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04010.001

Dear Mr. Caulk:

This Quarterly Progress Report has been prepared for Progress Energy's L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required under the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2004. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (October 1, 2004 through January 1, 2005)

During this reporting period the following activities were, or will be completed by January 1, 2005:

- Based on the results of the Phase I Remedial Investigation Report (RIR) submitted to the NCDENR in September 2004, BBL and Progress Energy determined that a Phase II RI was necessary to further evaluate subsurface conditions in the FADA.
- Progress Energy and BBL worked to develop a general scope of work for the Phase II RI. General tasks identified for the Phase II RI include:
 - Collection of background soil samples to evaluate background metal concentrations near the FADA.
 - The advancement of approximately 13 soil borings and associated soil sampling around test pits TP-1 and TP-12, and near soil boring SB-6, TP-16 and TP-20 to delineate the horizontal and vertical extent of light non-aqueous phase liquid (LNAPL) observed during the Phase I RI field activities.
 - Collection of related quality control/quality assurance (QA/QC) samples per the REC Guidance.
 - The advancement of additional soil borings to further characterization of the horizontal and vertical extent of the ash unit within the heavily vegetated area located on the northern portion of the FADA.
 - The installation of shallow temporary piezometers to better determine the shallow groundwater flow direction in and around the FADA.
 - Installation of additional monitoring wells and associated groundwater sampling to further characterize the lateral and vertical extent of constituents of concern (COCs) in the FADA.
 - Collection of one synoptic groundwater gauging event of all existing and new FADA monitoring wells to determine shallow and deep potentiometric surface maps for the FADA.
- BBL initiated preparation of the Phase II RI Work Plan for the FADA based on the general scope of work described above. Progress Energy and BBL plan to submit the Phase II RI Work Plan to the NCDENR during the next reporting period.

In summary, progress has been made towards the Phase II RI at the Progress Energy Sutton site during this reporting period, and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary Cameron, P.E., RSM
Vice President

SED
Enclosure

cc: Kerry MacPherson

Shawn Longfellow
Kent Tyndall
Scott Davies

CERTIFICATION STATEMENT

REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

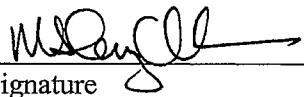
PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

PHASE I REMEDIAL INVESTIGATION REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Michael Shawn Longfellow

Printed Name


Signature

12-15-04
Date

North Carolina
State

New Hanover
County

I, Darlene B. Long, a Notary Public of said ~~County~~ and State, do hereby
certify that M. S. Longfellow did personally appear and sign before me
this the 15th day of December, 2004.


Notary Public Signature

My commission expires: 1-22-06.

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON

Printed Name

[Signature]

Signature

12/29/04

Date

NORTH CAROLINA

State

WAKE

County

CAROL RICKERBY
I, Carol Rickerby

HARNETT CTY, NC

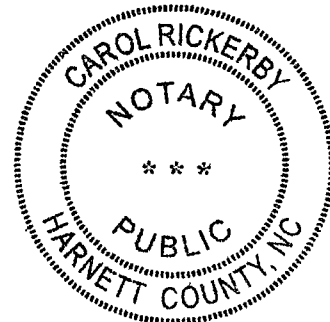
a Notary Public of ~~said County~~ and State, do hereby

certify that GARY R. CAMERON did personally appear and sign before me

this the 29 day of December, 2004.

Carol Rickerby
Notary Public Signature

My commission expires: My Commission Expires 11-30-2009.



Subject: Re: REC Guidelines

From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

Date: Fri, 10 Dec 2004 10:08:44 -0500

To: "MacPherson, Kerry" <kerry.macpherson@pgnmail.com>

CC: SED@BBL-INC.com

REC-LEAD

Your plan modifications sound reasonable and are acceptable. I will put a copy of this message in the file.

I can understand the need to gather enough water level data at various times to confirm site findings, understand trends, etc., but water level measurements may not be needed specifically every six months as suggested in the guidelines. Therefore, I will plan on modifying this wording in the guidelines next year.

Thanks,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section
NC Division of Waste Management
Phone: (919) 733-2801, ext. 364
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net

MacPherson, Kerry wrote:

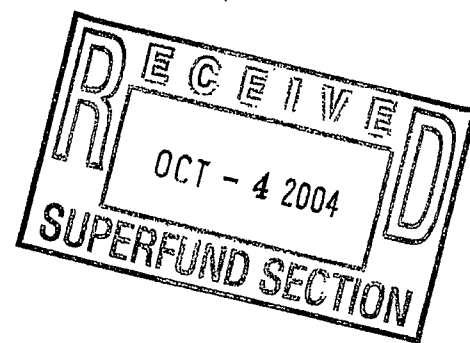
Kim - here's a copy of the page from the new guidance that requires groundwater elevation data be collected at least every six months during the remedial investigation. Therefore, as you suggested, I request that you allow us to delete this requirement for December but instead collect a full round of groundwater elevation data in January in conjunction with the Phase II field activities. Thanks.

<<REC Guid W L Req 12-04.pdf>>

Kerry A. MacPherson

Project Manager
Environmental Support & Remediation
Progress Energy Service Company - PEB 4A
410 South Wilmington Street
Raleigh, NC 27601

(919) 546-6753
Kerry.MacPherson@PGNMail.com



Transmitted Via Federal Express

September 30, 2004

Mr. Kim Caulk, P.G.
Department of Environment
and Natural Resources
Superfund Section
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646

REC-LEAD

Re: Submittal of Phase I Remedial Investigation Report
Former Ash Disposal Area
Progress Energy Carolina's Inc.
L.V. Sutton Steam Electric Plant
Wilmington, North Carolina
NCD 000 830 646
BBL Project #: 04010

Dear Mr. Caulk:

The attached Phase I Remedial Investigation Report (RIR) has been prepared on behalf of Progress Energy by Blasland, Bouck and Lee, Inc. (BBL) for the Former Ash Disposal Area at the L.V. Sutton Steam Electric Plant located at 801 Sutton Steam Plant Road in Wilmington, New Hanover County, North Carolina. The Phase I RIR has been prepared pursuant to a voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolina's Inc. and the North Carolina Department of Environment and Natural Resources (NCDENR) in October 2003. This Phase I RIR has been prepared to meet the applicable requirements of the North Carolina General Statute 130-310.9(c), and 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules, 15A NCAC 13C.0300 *Registered Environmental Consultant Implementation Guidance* dated August 2004.

Please note that submittal of this Phase I RIR is also intended to fulfill the quarterly progress report requirement for October 2004 as outlined in Section III (B) of the Administrative Agreement between Progress Energy and NCDENR.

If you have any questions regarding this report, please feel free to call me at 919-469-1952, ext: 11.

Sincerely,

BLASLAND, BOUCK & LEE, INC.

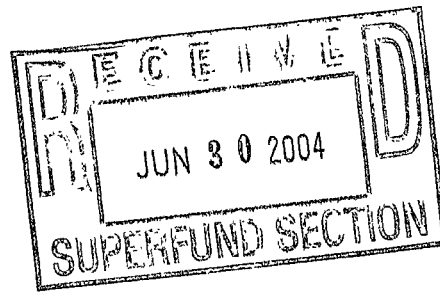


Gary R. Cameron, P.E., RSM
Vice-President

DCHP/sed

cc: Kerry MacPherson (Progress Energy)
M. Shawn Longfellow (Progress Energy)
R. Kent Tyndall (Progress Energy)
Scott E. Davies, P.G. (BBL)
Daniel Peterman (BBL)

DCHP/sed
Enclosures: 1



Transmitted Via Certified Mail

June 28, 2004

REC-LEAD

Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: Second Quarterly Progress Report (Period Covered: 3/31/04 to 6/28/04)
REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc.
Sutton Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04010.001

Dear Mr. Caulk:

This Second Quarterly Progress Report has been prepared for Progress Energy's L. V. Sutton Electric Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). This Progress Report is required in the voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2003. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located in Wilmington, New Hanover County, North Carolina.

Activities Conducted During the Reporting Period (March 31, 2004 through June 28, 2004)

During this reporting period the following activities were, or will be completed by July 1, 2004:

- The Phase I Remedial Investigation Work Plan (RIWP) for the FADA was submitted to the NCDENR on April 28, 2004;
- Preparations to implement the Phase I RI field activities were made from April 29 through May 21, 2004;
- The Phase I RI field program was initiated on May 25, 2004. Activities completed to date include:
 - installation, logging, and backfilling of 20 test pits;
 - advancement of 19 hand auger borings;
 - installation of 4 groundwater monitoring wells;
 - installation of one piezometer;
 - collection of 3 soil samples which were archived for possible future Synthetic Precipitation Leachate Procedure analysis;
 - collection of 3 soil samples for analysis of Hazardous Substance List (HSL) metals and Target Compound List (TCL) parameters plus 10 tentatively identified compounds (TICs);
 - collection of 2 surface water and 2 sediment samples;
 - collection of appropriate quality control/quality assurance (QA/QC) samples;
 - development of the newly installed wells;
 - low flow groundwater sampling of the newly installed wells;
 - health and safety monitoring in accordance with the community health and safety plan; and,
 - surveying of all test pit, hand auger, monitoring well, and piezometer locations.

Variances from the Phase I RIWP

Certain variances from the Phase I RIWP were implemented based on observations during the Phase I RI field program. In all cases, these variances were implemented to enhance the understanding of the subsurface conditions in the FADA. Variances from the Phase I RIWP are summarized below:

- Three test pits and 19 hand auger borings were added to field program voluntarily by Progress Energy to facilitate the delineation of the FADA. In some cases, hand auger locations were substituted for test pits in areas where backhoe access was not possible due to dense vegetation, or health and safety concerns related to the potential presence of underground utilities.
- One additional monitoring well was added based on the delineation of the eastern FADA boundary.
- Two of the planned monitoring well locations were modified based on field observations and health and safety concerns over the presence of underground utilities.
- An apparent petroleum hydrocarbon material was observed in three test pits (TP-3, TP-11, and TP-12); therefore, three soil samples and associated QA/QC samples were collected for analysis of 14 HSL metals, and TCL volatile organic compounds (VOCs) and semi-volatile organic compounds (SVOCs) plus 10 TICs per Appendix A section A.2.1.1 of the REC Guidance.

- One soil sample was collected at test pit TP-16 for Total Petroleum Hydrocarbons (TPH) as Diesel Range Organics (DRO) analysis via USEPA Method SW-846 Method 8015 to identify the type of apparent petroleum material observed during field activities.

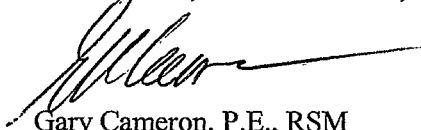
Figure 1 (attached) shows the locations of all test pit, soil boring, monitoring well, and piezometer locations. The figure also shows the preliminary outline of the FADA based on field observations.

In summary, substantial progress has been made on the Phase I RI at the Progress Energy Sutton site during this reporting period, and work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

If you have any questions, please feel free to contact me at 919-469-1952.

Sincerely,

BLASLAND, BOUCK & LEE, INC.



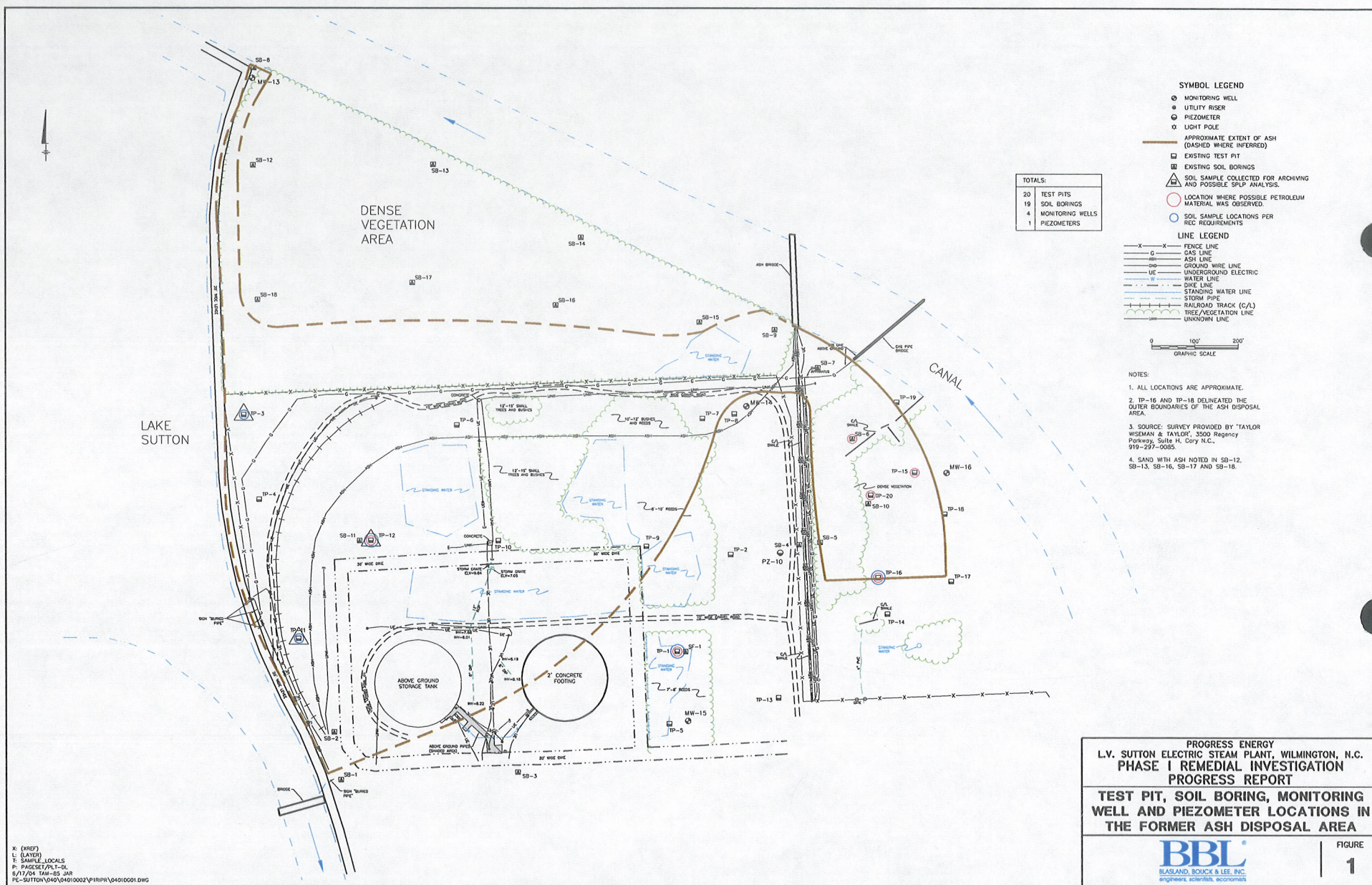
Gary Cameron, P.E., RSM
Vice President

SED

Enclosure

cc: Kerry MacPherson

Shawn Longfellow
Kent Tyndall
Scott Davies



K: (XREF)
 L: (LAYO)
 E: SAMPLE LOCALS
 P: PAGESET/PLT-DL
 S: 1/1/04 TAIL-SS JAR
 PL-SUTTON\040\04010002\PIR\04010001.DWG

CERTIFICATION STATEMENT


REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

SECOND QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Michael Shawn Longfellow
Printed Name

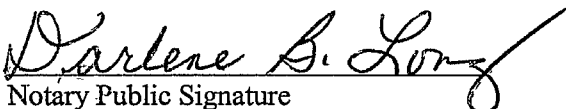

Signature

6/21/04
Date

North Carolina
State

New Hanover
County

I, Darlene B. Long, a Notary Public of said ~~County~~ and State, do hereby
certify that Michael Shawn Longfellow did personally appear and sign before me
this the 21st day of June, 2004.


Notary Public Signature

My commission expires: 01/22/2006.

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

SECOND QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R CAMERON

Printed Name



Signature

6/28/04

Date

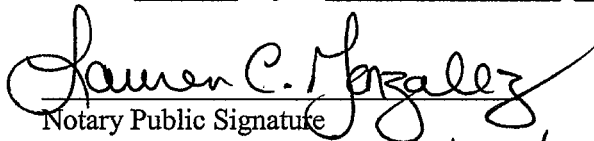
NORTH CAROLINA

State

Wake

County

I, Lauren C. Gonzalez, a Notary Public of said County and State, do hereby
certify that GARY R. CAMERON did personally appear and sign before me
this the 28th day of JUNE, 2004.


Notary Public Signature

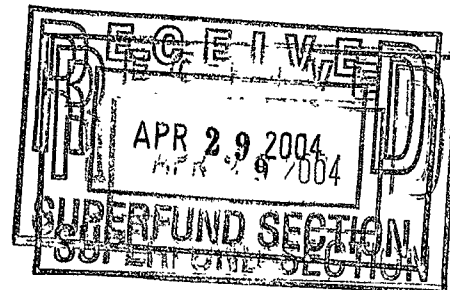
My commission expires: 10/28/2006.

REC-LEAD

Transmitted Via Federal Express

April 28, 2004

Mr. Kim Caulk, P.G.
Department of Environment
and Natural Resources
Superfund Section
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646



Re: Phase I Remedial Investigation Work Plan
Former Ash Disposal Area
Progress Energy Carolina's Inc.
L.V. Sutton Electric Plant
Wilmington, North Carolina
BBL Project No.: 04010.001

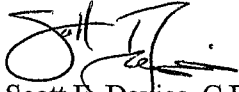
Dear Mr. Caulk:

The attached Phase I Remedial Investigation (RI) Work Plan has been prepared on behalf of Progress Energy Carolina's Inc. (Progress Energy) by Blasland, Bouck and Lee, Inc. (BBL) for the Former Ash Disposal Area located at the L.V. Sutton Electric Plant facility (Sutton Site) in Wilmington, New Hanover County, North Carolina. This Phase I RI Work Plan has been prepared in accordance with the requirements of the voluntary Administrative Agreement (Docket No. 03-SF-217) for the Sutton Site under the North Carolina Department of Environment and Natural Resources (NCDENR), Inactive Hazardous Waste Branch's Registered Environmental Consultant program. Please note that the required certifications are contained in Section 5 of the Phase I RI Work Plan.

If you have questions or comments regarding the Phase I RI Work Plan, please call me at (919) 469-1952, [Ext. 17].

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Scott E. Davies, C.P.G.
Associate

SED/dchp

Enclosures: 2

cc: BBL (File)
Gary Cameron, P.E., RSM - BBL (ltr. only)
M. Shawn Longfellow - Progress Energy Sutton Plant (ltr. only)
R. Kent Tyndall - Progress Energy Sutton Plant (ltr. only)
Kerrie MacPherson - Progress Energy (ltr. only)



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

April 16, 2004

Mr. Michael Longfellow
Progress Energy Steam Plant
801 Sutton Steam Plant Road
Wilmington, North Carolina 28401

Re: **INVOICE** for FY 2004-05 Annual REC Administrative Fee
CP&L Sutton Steam Plant
Wilmington, New Hanover County
NCD 000 830 646

REC-LEAD

Dear Mr. Longfellow:

Pursuant to 15A NCAC 13C .0307(c) of the REC Program rules, voluntary parties must pay an annual administration fee to the Department. The fee is adjusted annually to reflect the costs incurred by the Inactive Hazardous Sites Branch for site audits.

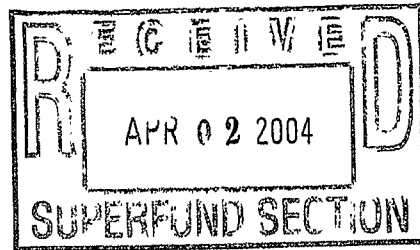
For FY 2004-05, the administration fee is **\$1,843.00**. Please remit a check for this amount no later than **May 21, 2004**. If the full fee amount is not received by this deadline, the Administrative Order on Consent may be dissolved without further notice. Please make the check payable to **NC Division of Waste Management**, indicate on the check **REC Trust Fund**, and mail to:

MR. KIM T. CAULK
NC DENR
DIVISION OF WASTE MANAGEMENT
SUPERFUND SECTION
401 OBERLIN RD, SUITE 150
RALEIGH, NC 27605

Thank you for your cooperation and for voluntarily addressing the cleanup of this site. Should you have any questions, please contact me at (919) 733-2801, ext. 364.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section



Transmitted Via Certified Mail

REC-LEAD

March 26, 2004

Kim Caulk, Manager
Division of Waste Management
North Carolina Department of Environment and Natural Resources
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: First Quarterly Progress Report, REC-Directed Assessment, Former Ash Disposal Area
Progress Energy Carolinas, Inc. Sutton Steam Plant, Wilmington, NC
Docket Number 03-SF-217
BBL Project #: 04010.001

Dear Mr. Caulk:

This First Quarterly Progress Report was prepared for Progress Energy's Sutton Steam Plant (Sutton Site) located in Wilmington, North Carolina (NCD000830646). The First Quarterly Progress Report has been prepared pursuant to a voluntary Administrative Agreement (Docket Number 03-SF-217) signed by Progress Energy Carolinas, Inc., and the North Carolina Department of Environment and Natural Resources (NCDENR) Division of Waste Management, Inactive Hazardous Sites Branch. The work conducted under the Administrative Agreement is intended to meet the applicable requirements of North Carolina General Statute 130A-310.9(c) (Statute), 15A North Carolina Administrative Code (NCAC) 13C .0300 Rules (Rules), and 15A NCAC 13C .0300 *Registered Environmental Consultant Implementation Guidance* (REC Guidance) dated August 2003. Blasland, Bouck, and Lee, Inc. (BBL) has been designated as the Registered Environmental Consultant (REC) for the project.

The requirements of the Administrative Agreement are focused on the Former Ash Disposal Area (FADA) at the Sutton Site. The FADA was used between 1954 and 1972 for the placement of coal ash generated at the Sutton Site. The Sutton Site is located along the east bank of the Cape Fear River in Wilmington, New Hanover County, North Carolina. The location of the site is shown on a portion of the United States Geological Survey (USGS) 7.5 minute topographic quadrangle maps for Castle Hayne and Leland, North Carolina, and is presented as **Figure 1**. The FADA and other notable site features are shown on a site map which is presented as **Figure 2**.

BBL is currently in the process of finalizing the Phase I Remedial Investigation Work Plan (RIWP) for the FADA. At this point all RIWP components required under 15A NCAC 13C .0306(g)(1-19) have been completed.

As partial fulfillment of the RIWP requirements, BBL conducted an evaluation to identify potable water sources and environmentally sensitive areas proximate to the FADA. Potable water sources located within a one-half-mile radius of the FADA are summarized in **Table 1** and shown on **Figure 2**. BBL contacted the 16 environmentally sensitive areas contacts listed in the REC Guidance. The results of these contacts are summarized in **Table 2**. As described in detail in the RIWP, a sensitive environment was identified for the Lower Cape Fear River aquatic habitat area, which includes the Cape Fear River along the boundary of the Sutton Site Property. It should be noted that the Cape Fear River is not in direct contact with the FADA. In addition, surface-water and sediment samples from the Cape Fear River will be collected as part of the Phase I RI. Nine archaeological sites have been recorded at the Sutton site, but are not located within the FADA (see **Figure 2**). All archaeological sites are situated along the eastern edge of Sutton Lake, formerly the eastern bank of Catfish Creek prior to the creation of the lake. FADA RI activities are not expected to interfere with existing archaeological sites (Nathan Henry, NC Department of Cultural Resources, personal communication, March 10, 2004).

Phase I RI field activities are scheduled to begin during the 2nd Quarter of 2004. Work is progressing in a manner to achieve the mandatory work phase completion deadlines set forth in 15A NCAC 13C .0302(h).

Sincerely,

BLASLAND, BOUCK & LEE, INC.



Gary R. Cameron, P.E., RSM
Vice President

JKS/SED
Enclosures

cc: Kerry MacPherson, Progress Energy
Shawn Longfellow, Progress Energy
Kent Tyndall, Progress Energy
Scott Davies, Blasland, Bouck & Lee, Inc.

**Table 1. Summary of Water Supply Wells Around the FADA
Progress Energy Sutton Steam Plant
Wilmington, North Carolina**

Supply Well ID	Well Site Location	Location (Latitude and Longitude)
B	Sutton well B	N 34 17 .48, W 77 58 29.94
C	Sutton well C	N 34 17 27, W 77 58 27.36
1	Sutton well 1	N 34 17 27, W 77 58 38.94
2	Sutton well 2	N 34 17 1.80, W 77 58 46.92
3	Sutton well 3	N 34 16 55.38, W 77 58 47.28
4	Sutton well 4	N 34 17 3.72, W 77 58 53.40
5	Ezzell well	N 34 17 32.70, W 77 58 44.52
6	SAS water tower	N 34 17 23.88, W 77 58 13.74
7	Kens WOW well	N 34 17 13.32, W 77 58 23.88
8	Pro. Cams well	N 34 17 9.30, W 77 58 18.06
9	Tide water transit	N 34 17 4.14, W 77 58 26.82
10	Carrier well	N 34 17 4.14, W 77 58 21.48
11	Pac lease well	N 34 17 3.24, W 77 58 19.32
12	International mailing service	N 34 17 5.94, W 77 58 14.88
13	Abandon build on Roymac rd	N 34 17 15.36, W 77 58 27.72
14	New Hanover County Well 3	N 34 17 15.48, W 77 58 31.80
15	New Hanover County Well 4	N 34 17 13.32, W 77 58 35.94
16	Maola Well	N 34 17 15.96, W 77 58 32.04

Notes

All Sutton Site Wells are used for process water needs only and not for human consumption.

Table 2
Results of Sensitive Receptor Survey Review
Progress Energy
Sutton Steam Plant
Wilmington, NC

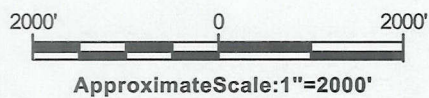
<u>Contact</u>	<u>Name</u>	<u>Telephone No. or Email</u>	<u>Date First Contacted</u>	<u>Sensitive Environment</u>	<u>Results of Inquiry</u>	<u>Comments</u>
NC Division of Parks and Recreation - Natural Heritage Program	Jennifer Dennis	(919) 733-4181	12/22/2004	State Parks	Sensitive environment not present	None.
				Sensitive Areas Identified Under the National Estuary	Sensitive environment not present	None.
				Designated State Natural Areas	Sensitive environment not present	None.
				State Seashore, Lakeshore and River Recreational	Sensitive environment not present	None.
	Sarah McRae	(919) 715-1751	1/7/2004	Areas Important to Maintenance of Unique Natural Communities	Significant natural heritage area that may be affected is the state significant Lower Cape Fear River Aquatic Habitat.	Phase I RI work in the FADA will not impact aquatic habitat.
				Rare species (State and Federal Threatened and Endangered)	Significant natural heritage area that may be affected is the state significant Lower Cape Fear River Aquatic Habitat; federal and state endangered shortnose sturgeon (<i>Acipenser brevirostrum</i>); federal and state threatened American alligator (<i>Alligator mississippiensis</i>); endangered red-cockaded woodpecker (<i>Picoides borealis</i>).	Phase I RI work in the FADA will not impact alligator, bird, or aquatic habitat.
				Sensitive Aquatic Habitat	Significant natural heritage area that may be affected is the state significant Lower Cape Fear River Aquatic Habitat.	Phase I RI work in the FADA will not impact aquatic habitat.
NC Planning and Natural Resources	Robert K. Huband	(919) 715-2658	12/22/2004	State Wild & Scenic Rivers	Sensitive environment not present	None.
National Park Service - Public Affairs Office	Paul Winegar	(404) 562-3123, x600	12/22/2004	National Seashore, Lakeshore and River	Sensitive environment not present	None.
				National Parks or Monuments	Sensitive environment not present	None.
National Park Service - Internet	http://www.nps.gov/rivers	NA	NA	Federal Designated Wild & Scenic Rivers	Sensitive environment not present	None.
US Forest Service	Steve Hendricks	(828) 257-4873	12/18/2004	Designated and Proposed Federal Wilderness and Natural Areas	Sensitive environment not present	None.
	Larry Haden	(828) 257-4864	12/18/2004	National Preserves and Forests	Sensitive environment not present	None.
	Bill Jackson	(828) 257-4815	1/21/2004	Federal Land Designated for the Protection of Natural Ecosystems	The Shining Rock and Linville Gorge Wilderness are about 460 and 400 km NW of the Sutton Steam Plant. Both of these Class I areas managed by the USDA Forest Service and no Class analysis will be required unless there are very large increases (>10,000 per year) of sulfur dioxide or nitrogen oxides. The Sutton Steam Plant is within 200 km of Swanquarter and Cape Romain. Contact the USDA Fish and Wildlife Service representative to see if they require a Class I analysis to be completed.	Phase I RI work in the FADA will not increase sulfur dioxide or nitrogen oxide emissions.
NC Division of Water Quality	Dianne Reid	dianne.reid@ncmail.net	1/21/2004	Critical Areas Identified Under the Clean Lakes Program	Greenfield Lake is the only lake identified under the Clean Lakes Program in New Hanover County, NC.	Phase I RI work in the FADA will not impact Greenfield Lake.
NC Division of Forest Resources	Les Hunter	(919) 546-7411 or (910) 770-0259	12/22/2004	State Preserves and Forests	Sensitive environment not present	None.
US Fish and Wildlife Service - Raleigh Field Office	Dale Sulter	(919) 856-4520, x18	1/13/2004	Terrestrial Areas Utilized for Breeding by Large or Dense Aggregations of Animals	Sensitive environment not present	None.
NC Wildlife Resources Commission	Vic French	(910) 259-5555	12/22/2004	National or State Wildlife Refuges	Sensitive environment not present	None.
NOAA - National Marine Sanctuaries	http://www.sanctuaries.noa.gov/oms/oms.html	NA	NA	Marine Sanctuaries	Nearest sanctuary is the USS Monitor Marine Sanctuary located 16 miles SSE of Cape Hatteras in 240 feet of water.	Phase I RI work in the FADA will not impact USS Monitor Marine Sanctuary.

Table 2
Results of Sensitive Receptor Survey Review
Progress Energy
Sutton Steam Plant
Wilmington, NC

<u>Contact</u>	<u>Name</u>	<u>Telephone No. or Email</u>	<u>Date First Contacted</u>	<u>Sensitive Environment</u>	<u>Results of Inquiry</u>	<u>Comments</u>
NC Department of Cultural Resources	David L.S. Brook	(919) 733-6547	1/12/2004	National and State Historical Sites	Nine archaeological sites have been recorded either within or immediately adjacent to the project area. All are situated along the eastern edge of Sutton Lake, formerly the eastern bank of Catfish Creek prior to the creation of the lake. These sites have not been assessed to determine their eligibility to the National Register of Historic Places. The location of these sites should be reestablished prior to ground disturbing activity outside of the existing ash retention ponds. If the sites cannot be avoided they should be assessed to determine their eligibility for listing in the National Register of Historic Places.	BBL is currently working with the Cultural Resources Department to get the longitude and latitude of the 9 locations and will check these prior to implementing Phase I RI field activities.
NC Division of Coastal Management	Jason Dail	(910) 395-3900	1/12/2004	Areas Identified Under Coastal Protection Legislation	All work conducted within 75 feet of the Cape Fear River requires a permit from the North Carolina Division of Coastal Management pursuant to the Coastal Area Management Act	All test pit and monitoring wells will be located more than 75 ft. from the Cape Fear River.
	http://dcm2.enr.state.nc.us	NA	NA	Coastal Barriers or Units of a Coastal Barrier Resources System	Sensitive environment not present	None.
NC Wildlife Resources Commission	Angie Rodgers	(919) 460-7350	1/9/2004	Spawning Areas Critical for the Maintenance of Fish/Shellfish Species within River, Lake or Coastal Tidal Waters	Starting with Sutton Lake, the primary concern is related to fish habitat in shallow water areas. The majority of gamefish species in Sutton Lake are centrarchids (largemouth bass and various sunfish species including bluegill, redbreast sunfish, redear sunfish, black crappie, warmouth, pumpkinseed) and these species rely heavily on structure and "apparently gain some energetic or ecological benefit from occupying complex structure (woody debris, shoreline vegetation, artificial fish attractors, etc). Since these species are self-sustaining in Sutton Lake, preservation of littoral zone habitats is essential as they are utilized during spring and summer as spawning and nursery areas. Complex structure also provides habitats conducive to resting, feeding, refuge, and concealment. Additionally, riparian habitat adjacent to the lake is also important as it contributes to the recruitment of natural woody debris to the aquatic environment." Because Progress Energy has actively and aggressively treated aquatic vegetation with herbicides and grass carp, we have deployed fish attractors (Christmas trees and artificial structures) in the lake as an effort to provide additional habitat to compensate for those vegetative losses. Because of the many anadromous fish species that use the Cape Fear River, special consideration should be given to this area as it serves as a vital migratory pathway to upstream spawning habitat.	Phase I RI work in the FADA will not impact aquatic habitat.
				Migratory Pathways and Feeding Areas Critical for Maintenance of Anadromous Fish Species within River Reaches or Areas in Lakes or Coastal Tidal Waters in which such Fish Spend Extended Periods of Time	The other area of concern is the Cape Fear River and anadromous fish issues. Many fish species (American shad, striped bass, Atlantic and shortnose sturgeon, hickory shad, blueback herring, alewife) use the Cape Fear as a migratory route to spawning habitat which is upstream of Sutton Lake. However the lower end of the Cape Fear River is used as nursery habitat throughout migration. "Populations of alewife and blueback herring (river herring) and hickory shad are extremely depressed in the river in the vicinity of the Sutton Plant (Lake Sutton). Historical spawning areas for these species are upstream of Fayetteville. Atlantic sturgeon and shortnose sturgeon are also present in the river but in very low numbers. American shad are plentiful during the spring spawning run and numbers appear to be increasing" (Keith Ashley, personal communication). Because of the many anadromous fish species that use the Cape Fear River, special consideration should be given to this area as it serves as a vital migratory pathway to upstream spawning habitat.	Phase I RI work in the FADA will not impact aquatic habitat.
US Army Corps of Engineers	Angie Pannock	(910) 251-4611	1/12/2004	Wetlands	Wetlands surround the property. Adjacent to south and southeast are riparian hard woods, brackish marshes, wetland pine flats, headwater wetlands, and tidal marshes. To the north and northwest is a tailings pond. (Note: A Wetlands Delineation on property around the Sutton Steam Plant was previously compiled by Progress Energy.)	Monitoring wells and test pits will be located away from potential wetland areas.



REFERENCE: BASEMAPUSGS7.5 MIN.QUADS.,CASTLEHAYNE,NC,1997,AND LELAND, NC, 1997.



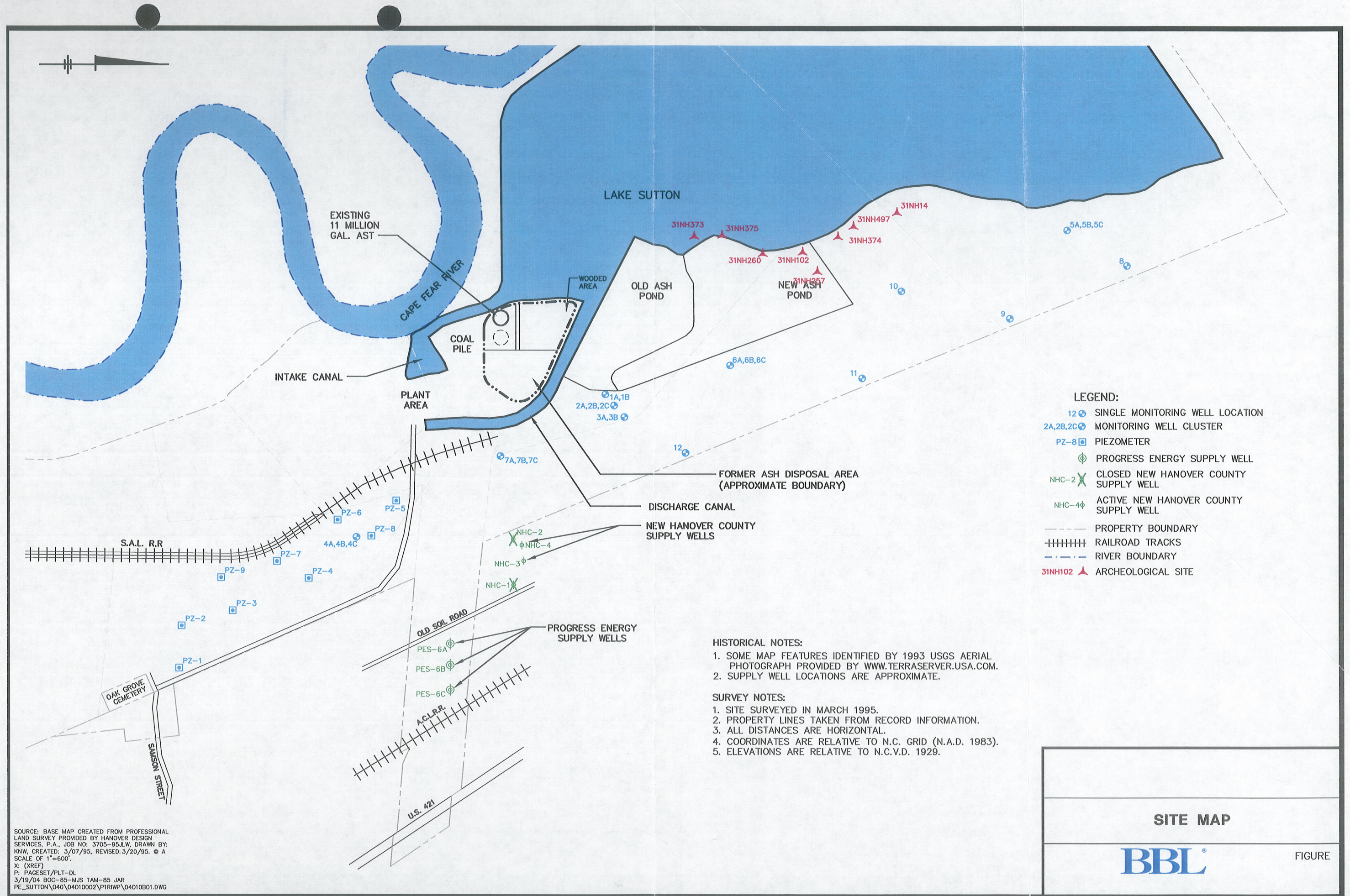
Area Location

PROGRESSENERGY
SUTTON STEAM PLANT, WILMINGTON, N.C.
PHASE I REMEDIAL INVESTIGATION WORK PLAN

SITE LOCATION MAP

BBL[®]
BLASLAND, BOUCK & IFF, INC.
engineers, scientists, economists

FIGURE
1



SITE MAP

BBL

FIGURE

CERTIFICATION STATEMENT

REMEDIATING PARTY CERTIFICATION STATEMENT (.0306(b)(2))


PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

FIRST QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Michael Shawn Longfellow

Printed Name



Signature

3/26/04

Date

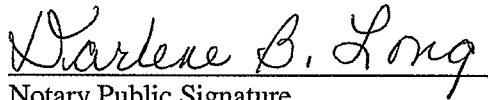
North Carolina

State

New Hanover

County

I, DARLENE B. LONG, a Notary Public of said ~~County~~ and State, do hereby
certify that MICHAEL SHAWN LONGFELLOW did personally appear and sign before me
this the 26th day of March, 2004.



Notary Public Signature

My commission expires: 01-22-06

CERTIFICATION STATEMENT

REGISTERED SITE MANAGER CERTIFICATION STATEMENT (.0306(b)(1))

PROGRESS ENERGY CAROLINAS INC.
SUTTON STEAM PLANT
WILMINGTON, NORTH CAROLINA
NCD 000 830 646

FIRST QUARTERLY PROGRESS REPORT

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the voluntary remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

GARY R. CAMERON, P.E.

Printed Name

G. Cameron

Signature

4/1/04

Date

NORTH CAROLINA

State

WAKE / Durham

County

I, Jill Vance, a Notary Public of said County and State, do hereby
certify that Gary R. Cameron did personally appear and sign before me
this the 1st day of April, 2004.

Jill Vance

Notary Public Signature

My commission expires: 7-23-2005.



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

January 6, 2004

Mr. Michael Longfellow
Progress Energy Steam Plant
801 Sutton Steam Plant Road
Wilmington, North Carolina 28401

Re: REC Administrative Agreement
CP&L Sutton Steam Plant
Wilmington, New Hanover County
NCD 000 830 646

Dear Mr. Longfellow:

I have attached the executed Administrative Agreement for the above referenced site. The effective date of the agreement is December 30, 2003.

Thank you for your cooperation. If you have any questions or need any assistance, please feel free to call me at (919) 733-2801, ext. 364.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

cc: Mr. Gary R. Cameron, Blasland, Bouck & Lee, Inc. (w/ attachment)

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT
SUPERFUND SECTION**

IN RE:	CAROLINA P&L CO. SUTTON STEAM NCD 000 830 646 WILMINGTON, NORTH CAROLINA NEW HANOVER COUNTY	ADMINISTRATIVE AGREEMENT FOR REGISTERED ENVIRONMENTAL CONSULTANT-DIRECTED ASSESSMENT AND REMEDIAL ACTION PURSUANT TO N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300.
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DOCKET NUMBER 03-SF-217

I. STATEMENT OF PURPOSE

The purpose of this Administrative Agreement (Agreement) is to provide for implementation by Progress Energy Carolinas, Inc. (the Remediator) of a voluntary remedial action program pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300 at the site defined in Section II. A. of this Agreement.

II. STIPULATIONS OF FACT

- A. The "Site" is the closed ash disposal area currently owned by Progress Energy Carolinas, Inc. at 801 Sutton Steam Plant Road, Wilmington, New Hanover County, North Carolina and any additional area which has become contaminated as a result of hazardous substances or waste disposed or discharged at the closed ash disposal area. The approximate location of the Site is indicated by an "X" on the map attached as Attachment A.
- B. The Site is an inactive hazardous substance or waste disposal site within the meaning of N.C.G.S. 130A-310(3).

III. WORK TO BE PERFORMED

- A. The Remediator shall conduct a voluntary remedial action at the Site in accordance with the provisions of N.C.G.S. 130A-310.9(c), 15A NCAC 13C .0300, and the North Carolina Division of Waste Management's (the Division) "Registered Environmental Consultant Program Rules and Implementation Guidance."
- B. The Remediator shall submit quarterly letter progress reports on the first day of January, April, July, and October of each year that this Agreement is in effect. Each quarterly report will summarize, in one to two paragraphs, work performed since the last quarterly report. These reports must include a statement confirming work is progressing in a manner to achieve the mandatory work phase completion deadlines set out in 15A NCAC 13C .0302(h). These reports must include the notarized signatures of a duly authorized representative of the Remediator and of the Registered Site Manager representing the Registered Environmental Consultant (REC) assigned to this project. A quarterly report is not required for those quarterly periods when another report (for example, a remedial investigation report, a remedial action plan, a remedial action progress report) has been submitted.

- C. Within thirty-six (36) months after the execution of this Agreement, the Remediator shall complete a remedial investigation at the Site which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k)-(p), .0306(c)-(h) and .0306(q). The remedial investigation shall not be considered complete until the Remediator has submitted a remedial investigation report and completion statement, both certified in accordance with .0306 (b) by the REC and the Remediator.
- D. Within twenty-four (24) months of completion of the remedial investigation or within sixty (60) months after the execution of this Agreement, whichever is earlier, the Remediator shall begin operation of the remedial action system for groundwater at the Site, which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k) - (p), .0306(c) - (d) and .0306(i) - (n). Operation of the remedial action system for groundwater shall be considered to have begun only upon the submission to the Division of the groundwater remedial action construction completion report, certified in accordance with .0306 (b) by the REC and the Remediator, and upon commencement of the actual operation of remedial system.
- E. Within ninety-six (96) months after the execution of this Agreement, the Remediator shall complete, for wastes, soils, surface water and sediments at the Site, a remedial action which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k) - (p), .0306(c) - (d), .0306(i) - (n) and .0308. The remedial action for wastes, soils, surface water and sediments shall not be considered complete until the Remediator has submitted, for these media, a remedial action report and work phase completion statement, both certified in accordance with .0306 (b) by the REC and the Remediator.
- F. If hazardous substances or waste disposed at the Site have affected any drinking water wells, the Remediator shall, within a time period established by the Division, provide an alternate drinking water source for users of those wells.

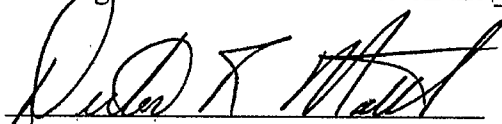
IV. ADDITIONAL PROVISIONS

- A. All work performed pursuant to this Agreement shall be under the direction and supervision of the Division-approved REC specified in Attachment B, in accordance with 15A NCAC 13C .0302(f).
- B. All work plans, reports, completion statements and project schedules prepared pursuant to this Agreement shall be certified by a representative of the Remediator in accordance with 15A NCAC 13C .0306(a) and .0306(b)(2).
- C. In the event that the REC specified in Attachment B ceases to serve in that capacity at the Site or is disqualified as an REC by the Division, the Remediator's voluntary remedial action status shall be subject to revocation if the Remediator fails to propose a replacement REC within sixty (60) days, in accordance with 15A NCAC 13C .0302(n).

- D. Within ten (10) days of signing this Agreement, the Remediator shall pay an annual administration fee to the Division, in accordance with 15A NCAC 13C .0307(c), to help offset the costs of the Division's audits of voluntary remedial actions.
- E. The Remediator is responsible for obtaining all necessary registrations, permits and approvals in accordance with 15A NCAC 13C .0306(m)(3).
- F. The Remediator and its REC shall preserve, for at least six (6) years after termination of this Agreement, all records and documents in its possession or in the possession of its divisions, employees, agents, accountants, contractors or attorneys which relate in any way to this Agreement. After this six (6)-year period, the Remediator shall notify the Division at least thirty (30) days prior to the destruction of any such records and documents. The Remediator shall comply with any written request by the Division, prior to the day for which destruction is scheduled, to continue to preserve such records and documents or to provide them to the Division. The Remediator may assert any available right to confidentiality regarding particular records and documents, other than analytical data. Pursuant to 15A NCAC 13C .0302(m) the REC must maintain all such records and documents beyond the six (6) year period unless it receives Division approval for destruction.
- G. If any new drinking water wells are installed within one-thousand five-hundred (1500) feet of the Site property boundaries, the Remediator shall notify the Division within twenty four (24) hours of the time when the Remediator or the Remediator's REC knew or should have known of such well(s).

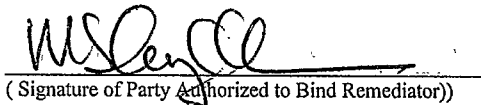
This Agreement is entered into on the 30th day of December, 2003.
28 October

By:



Dexter R. Matthews, Director
Division of Waste Management
North Carolina Department of Environment
and Natural Resources

By:

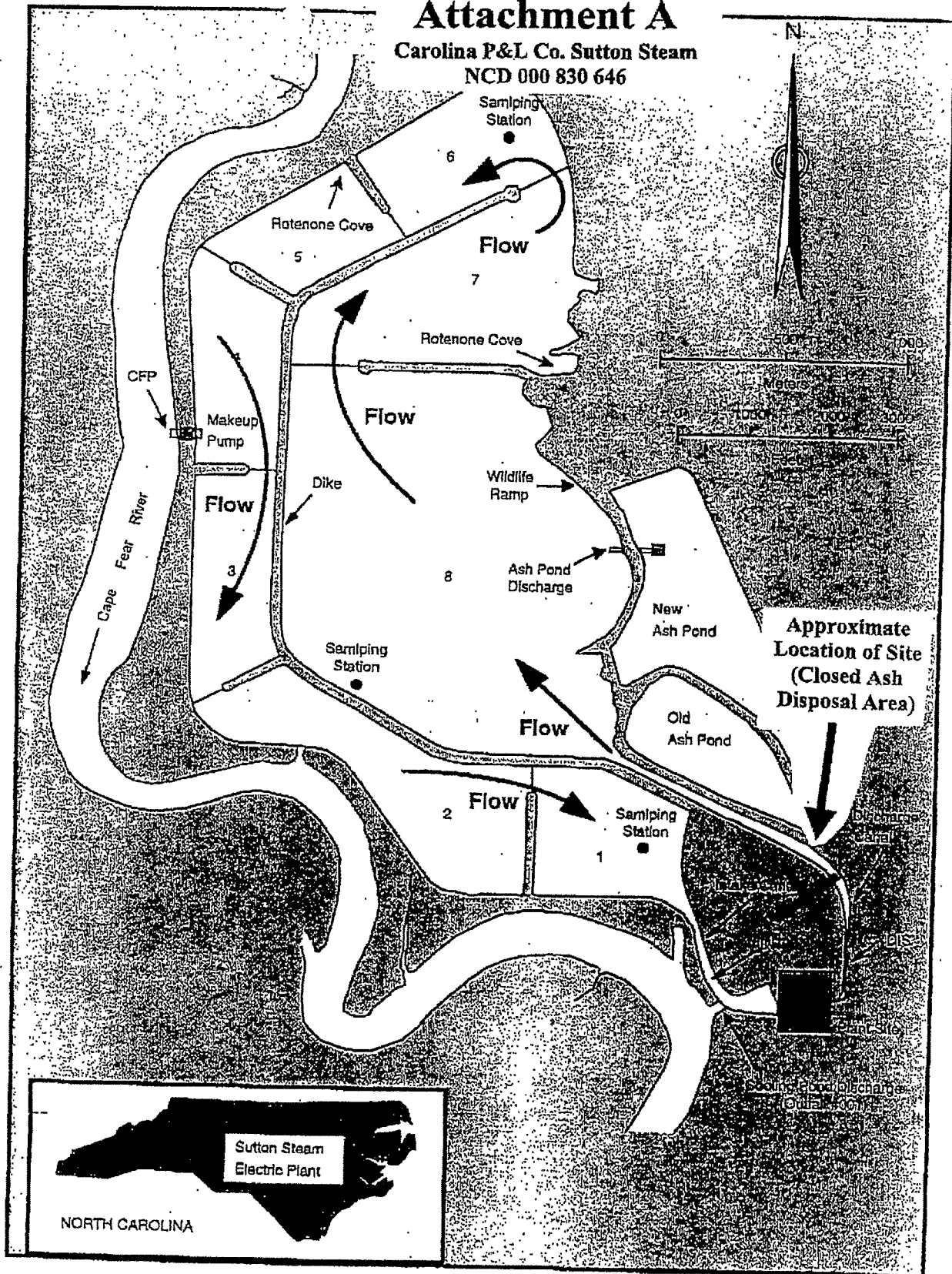

(Signature of Party Authorized to Bind Remediator)

Michael Shawn Longfellow, Plant Manager
(Typed Name of Signatory, Title)

Progress Energy - Carolinas, Inc.
(Typed Name of Company)

Attachment A

Carolina P&L Co. Sutton Steam
NCD 000 830 646



**North Carolina Department of Environment
and Natural Resources
Division of Waste Management
Superfund Section**

**Attachment B to
Administrative Agreement
for Registered Environmental
Consultant-Directed Assessment
and Remedial Action Pursuant to
N.C.G.S. 130A-310.9(c) and
15A NCAC 13C .0300.**

Docket No. 03-SF-217

We hereby certify that the Remediator has retained the undersigned Division-approved Registered Environmental Consultant (REC), to implement and oversee a voluntary remedial action at the Site pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300, and that the undersigned Division-approved Registered Site Manager (RSM) shall serve as RSM for the voluntary remedial action.

The undersigned Remediator and REC agree to indemnify and save and hold harmless the State of North Carolina and its agencies, departments, officials, agents, employees, contractors and representatives, from any and all claims or causes of action arising from or on account of acts or omissions of the Remediator or REC or their officers, employees, receivers, trustees, agents, or assigns in carrying out actions required pursuant to this Agreement. Neither the State of North Carolina nor any agency or representative thereof shall be held to be a party to any contract involving the Remediator relating to the Site.

The Remediator affirms that the REC has been provided a full and complete copy of this Agreement prior to signature. The undersigned REC representatives affirm that they have received, read and intend to comply with the provisions of this Agreement.


Remediator:

 10-28-03
(Signature Party Authorized to Bind Remediator) (Date)

Michael Shawn Longfellow, Plant Manager
(Typed name of Signatory, Title)

Progress Energy - Carolinas, Inc.
(Typed Name of Company)

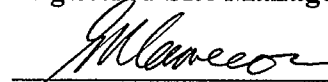
Registered Environmental Consultant:

 10/22/03
(Signature of REC Owner, Partner, or Corporate Officer) (Date)

Gary R. Cameron, Vice President
(Typed Name of Signatory, Title)

Blasland, Bouck & Lee, Inc.
(Typed Name of REC Firm)

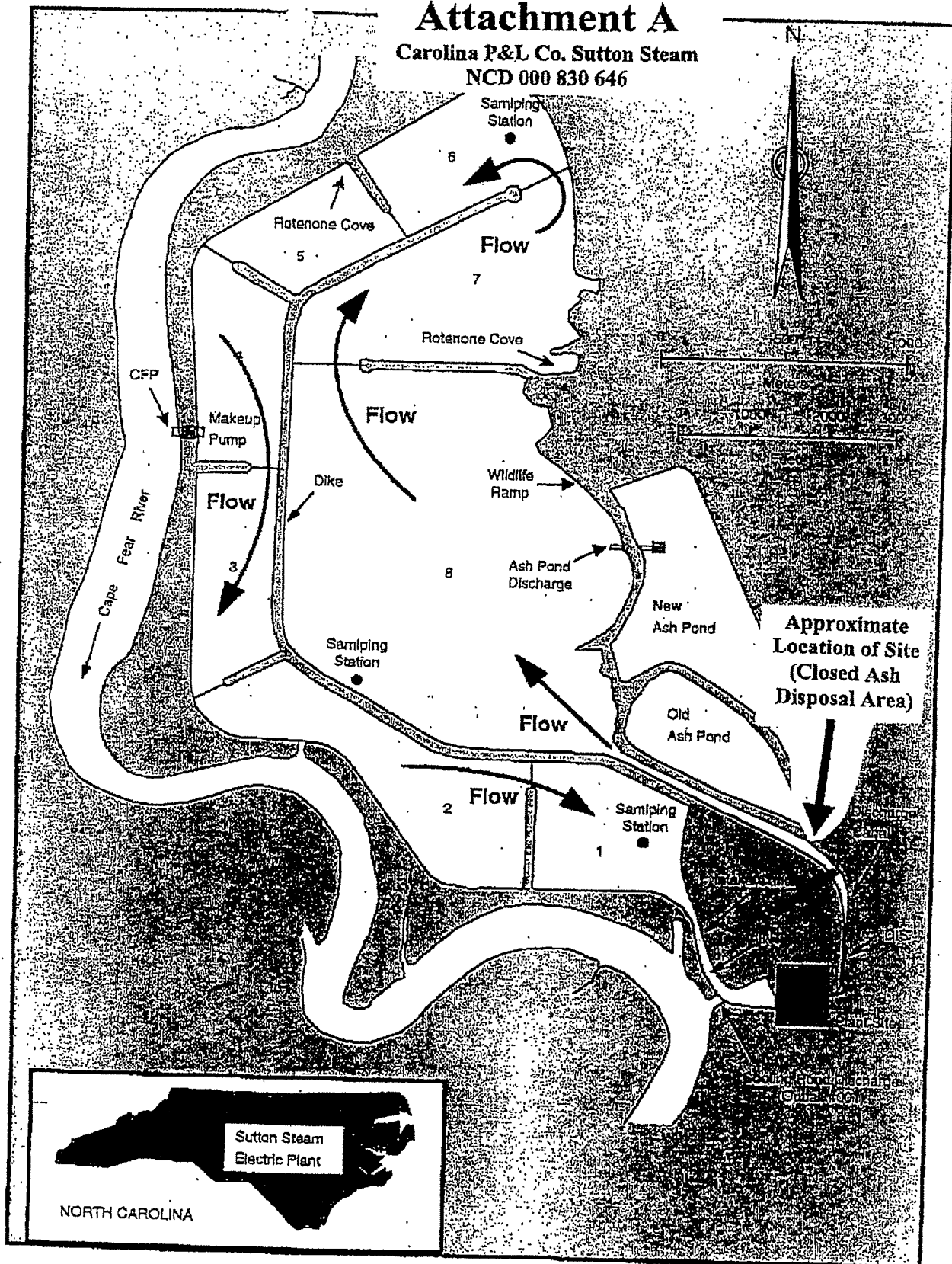
Registered Site Manager:

 10/22/03
(RSM Signature) (Date)

Gary R. Cameron
(Typed Name of RSM)

Attachment A

Carolina P&L Co. Sutton Steam
NCD 000 830 646



**North Carolina Department of Environment
and Natural Resources
Division of Waste Management
Superfund Section**

**Attachment B to
Administrative Agreement
for Registered Environmental
Consultant-Directed Assessment
and Remedial Action Pursuant to
N.C.G.S. 130A-310.9(c) and
15A NCAC 13C .0300.**

Docket No. 03-SF-217

We hereby certify that the Remediator has retained the undersigned Division-approved Registered Environmental Consultant (REC), to implement and oversee a voluntary remedial action at the Site pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300, and that the undersigned Division-approved Registered Site Manager (RSM) shall serve as RSM for the voluntary remedial action.

The undersigned Remediator and REC agree to indemnify and save and hold harmless the State of North Carolina and its agencies, departments, officials, agents, employees, contractors and representatives, from any and all claims or causes of action arising from or on account of acts or omissions of the Remediator or REC or their officers, employees, receivers, trustees, agents, or assigns in carrying out actions required pursuant to this Agreement. Neither the State of North Carolina nor any agency or representative thereof shall be held to be a party to any contract involving the Remediator relating to the Site.

The Remediator affirms that the REC has been provided a full and complete copy of this Agreement prior to signature. The undersigned REC representatives affirm that they have received, read and intend to comply with the provisions of this Agreement.


Remediator:

 10-28-03
(Signature Party Authorized to Bind Remediator) (Date)

Michael Shawn Longfellow, Plant Manager
(Typed name of Signatory, Title)

Progress Energy - Carolinas, Inc.
(Typed Name of Company)

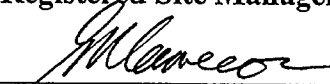
Registered Environmental Consultant:

 10/22/03
(Signature of REC Owner, Partner, or Corporate Officer) (Date)

Gary R. Cameron, Vice President
(Typed Name of Signatory, Title)

Blasland, Bouck & Lee, Inc.
(Typed Name of REC Firm)

Registered Site Manager:

 10/22/03
(RSM Signature) (Date)

Gary R. Cameron
(Typed Name of RSM)

NOTICE OF ADMINISTRATIVE AGREEMENT

Carolina P&L Co. Sutton Steam
801 Sutton Steam Plant Road
Wilmington, New Hanover County
NCD 000 830 646

The North Carolina Division of Waste Management (Division) is soliciting public comment on an Administrative Agreement (Agreement) that the Division intends to enter into with Progress Energy Carolinas, Inc. for Progress Energy Carolinas, Inc. to conduct a voluntary cleanup of hazardous substances at the Carolina P&L Co. Sutton Steam site in Wilmington, North Carolina. This voluntary remedial action will be conducted pursuant to N.C.G.S. 130A-310.9(b) and -310.9(c). Voluntary remedial actions implemented pursuant to N.C.G.S. 130A-310.9(c) are directed by Department-designated "Registered Environmental Consultants" in place of state oversight. A copy of the Agreement can be viewed at the following location:

NC Division of Waste Management
401 Oberlin Rd. - Suite 150
Raleigh, North Carolina 27605

Hours (by appointment only):
Monday - Friday 8:00 am - 5:00 pm
To schedule an appointment, contact Scott Ross
at (919) 733-2801, ext. 328.

Comments or questions on the draft Agreement or the role of the Registered Environmental Consultant at this site should be directed to:

Charlotte Jesneck
Head, Inactive Hazardous Sites Branch
Superfund Section
North Carolina Division of Waste Management
1646 Mail Service Center
Raleigh, NC 27699-1646
(919) 733-2801, ext. 284

ALL COMMENTS ON THE DRAFT AGREEMENT MUST BE POSTMARKED NO LATER THAN DECEMBER 19, 2003.

Carolina P&L Co. Sutton Steam
801 Sutton Steam Plant Road
Wilmington, New Hanover County

The Administrative Agreement Public Notice should be mailed by Certified Mail to the following:

Ms. Dianne Harvell
Environmental Health Director
2029 South 17th Street
Wilmington, NC 28401-4946

Mr. Bill Melton
Primary Resources
2709 Water Ridge Parkway
Suite 170
Charlotte, NC 28217

Ms. Karen L. Keller
ENSR International
7041 Old Wake Forest Road
Suite 103
Raleigh, North Carolina 27616

Mr. Allen O'Neal, County Manager
New Hanover County
320 Chestnut Street, Room 502
Wilmington, NC 28401-4093

Mr. Kerry A. MacPherson
Progress Energy Service Company, LLC
410 South Wilmington Street
PEB 4A
Raleigh, NC 27601



Progress Energy **REC-LEAD**

NOV - 4 2003

REC-LEAD SECTION

File No.: SUT 13550-A

October 30, 2003

Certified Mail # 7002 1000 0005 5781 7681

John Powers, Hydrogeologist
Inactive Hazardous Sites Branch
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646

AOC and INITIAL FEE SUBMITTAL

Dear Mr. Powers:

In response to your letter of August 7, 2003 to Kerry MacPherson (Progress Energy Service Company, LLC), enclosed please find a signed Administrative Agreement for an REC-directed, voluntary assessment and remedial action for the closed ash disposal area at Progress Energy - Carolinas' L. V. Sutton Electric Plant. Also enclosed is a check for \$2,500 for the initial fee for entering the REC Program.

Please contact Kerry MacPherson, Lead Environmental Specialist in our Corporate Office in Raleigh at (919) 546-6753, should you have questions of further correspondence concerning this project.

Respectfully yours,

Michael Shawn Longfellow
Manager - Sutton Steam Plant

c: Kerry MacPherson

**NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT**

**MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, DIRECTOR**



October 15, 2003

Mr. William Cavanaugh, III
President and CEO
Carolina Power and Light Company
Post Office Box 1551
Raleigh, NC 27602

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

Dear Mr. Cavanaugh:

The site listed above has been included on the October 2003 Inactive Hazardous Waste Sites Priority List (Priority List) in accordance with North Carolina General Statutes Section 130A-310.2. The Priority List is a list of sites where uncontrolled disposal, spills, or releases of hazardous substances have been identified. A special priority system (North Carolina Administrative Code Title 15A Subchapter 13C Section 0.200) is used to rank the sites on this list in decreasing order of danger to public health and the environment.

This letter is being sent to you to fulfill our statutory duty to notify those who own and those who at present are known to be responsible for each site on the Priority List. A copy of the Priority List with each site's rank appearing in the right-hand column is attached. Please note this letter is simply a notice of the site's inclusion on the priority list and is not an order to conduct any work.

If a responsible party or owner wishes to voluntarily perform site cleanup, that party must enter into an agreement with the Branch to ensure Branch approval. You should not proceed with remedial actions independently. Each voluntary remedial action will be overseen by Branch staff or, at the discretion of the Branch, by approved environmental consultants.

Those who are interested in reviewing the Superfund Section's files on any of these sites may contact Scott Ross at (919) 733-2801, ext. 328, to schedule an appointment. If you are interested in conducting a voluntary cleanup of your site, or if you have any questions, you may contact me at (919) 733-2801, ext. 284.

Sincerely,

Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(SPLMERGE10-2003.LTR)

Enclosure

**NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT**



**MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, DIRECTOR**

October 15, 2003

Mr. Ben White
Manager of Environmental Services
Carolina Power & Light Company
Post Office Box 327
New Hill, NC 27562

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

Dear Mr. White:

The site listed above has been included on the October 2003 Inactive Hazardous Waste Sites Priority List (Priority List) in accordance with North Carolina General Statutes Section 130A-310.2. The Priority List is a list of sites where uncontrolled disposal, spills, or releases of hazardous substances have been identified. A special priority system (North Carolina Administrative Code Title 15A Subchapter 13C Section 0.200) is used to rank the sites on this list in decreasing order of danger to public health and the environment.

This letter is being sent to you to fulfill our statutory duty to notify those who own and those who at present are known to be responsible for each site on the Priority List. A copy of the Priority List with each site's rank appearing in the right-hand column is attached. Please note this letter is simply a notice of the site's inclusion on the priority list and is not an order to conduct any work.

If a responsible party or owner wishes to voluntarily perform site cleanup, that party must enter into an agreement with the Branch to ensure Branch approval. You should not proceed with remedial actions independently. Each voluntary remedial action will be overseen by Branch staff or, at the discretion of the Branch, by approved environmental consultants.

Those who are interested in reviewing the Superfund Section's files on any of these sites may contact Scott Ross at (919) 733-2801, ext. 328, to schedule an appointment. If you are interested in conducting a voluntary cleanup of your site, or if you have any questions, you may contact me at (919) 733-2801, ext. 284.

Sincerely,

Charlotte V. Jesneck
Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(SPLMERGE10-2003.LTR)

Enclosure

North Carolina
Department of Environment and Natural Resources
Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary
Dexter R. Matthews, Director

STATE FILE



August 7, 2003

Mr. Kerry A. MacPherson
Progress Energy Service Company, LLC
410 South Wilmington Street
PEB 4A
Raleigh, NC 27601

RE: Registered Environmental Consultant (REC) Agreement
Carolina P&L Co. Sutton Steam
Wilmington, New Hanover County, North Carolina
NCD 000 830 646

Dear Mr. MacPherson:

I have attached a standard Administrative Agreement for an REC-directed, voluntary assessment and remedial action for the closed ash disposal area at the above-referenced site. Please review this document and let me know if you have any questions or comments. If you are satisfied with the terms specified in the Agreement, please obtain the signatures of the remediating party, the REC, and the Registered Site Manager in the spaces provided. A listing of approved RECs can be found on our web site at the following address: <http://wastenot.enr.state.nc.us/sfhome/REC-FIRM.HTM>.

Please be aware that by law the Department of Environment and Natural Resources must allow a 30-day public comment period for the proposed Administrative Agreement prior to its execution. Please let me know if the agreement is acceptable to you and I can begin preparing the public notice for mailing. Please send the names and addresses of any parties who have indicated that they wished to be kept informed of site notices.

In order to participate in the REC Program, the remediating party is required to pay an annual administration fee which is used by the state to offset the cost for auditing REC sites. The initial fee upon entering the REC Program is \$2,500.00. Please submit a check for this amount payable to the NC Division of Waste Management and the signed agreement to:

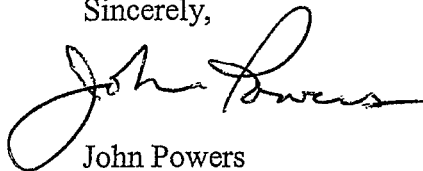
John Powers
NC DENR
Division of Waste Management
Superfund Section
1646 Mail Service Center
Raleigh, NC 27699-1646

1646 Mail Service Center, Raleigh, North Carolina 27699-1646
Phone: 919-733-4996 \ FAX: 919-715-3605 \ Internet: www.enr.state.nc.us

Mr. Kerry MacPherson
Carolina P&L Co. Sutton Steam
Page 2

Thank you for your cooperation. If you have any questions, please contact me at (919) 733-2801, ext. 329.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Powers". The signature is written in black ink and is positioned above the printed name.

John Powers
Inactive Hazardous Sites Branch
Superfund Section

Attachment

JUL. 14. 2003

3:02PM

MODERN MIRO

NO. 967

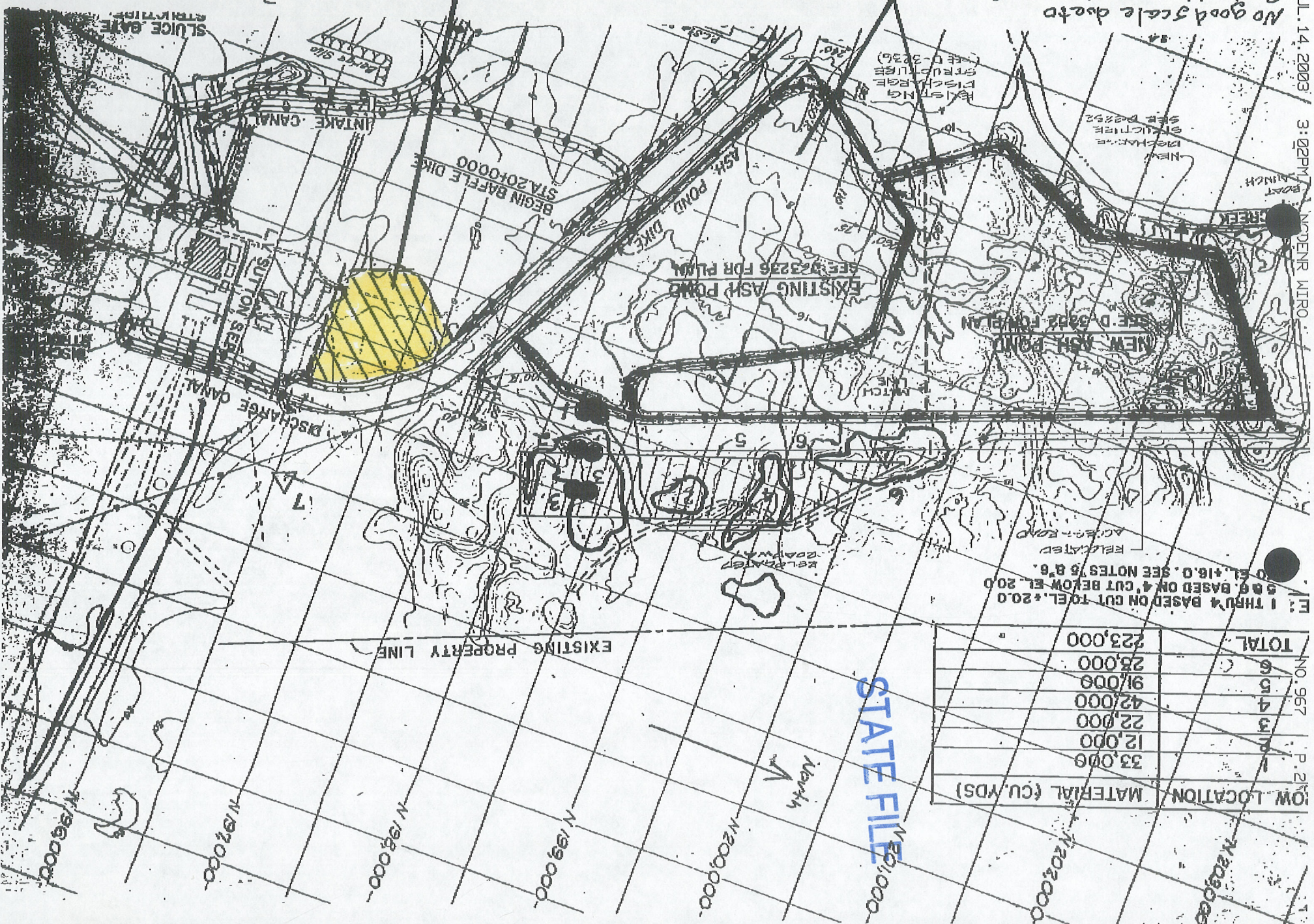
P. 21

No good scale due to
Reduction. Grids = 500

Active Ash Disposal
Permitted by BWP

Closed Ash
Area

- 3 ● Original monitoring well
- 7 ▲ New monitoring well



NO. LOCATION	MATERIAL (CU. YDS)
1	33,000
2	12,000
3	22,000
4	42,000
5	91,000
6	25,000
TOTAL	223,000

E: 1 THRU 4 BASED ON CUT TO EL. +20.0
5 & 6 BASED ON 4' CUT BELOW EL. 20.0
7 & 8 EL. +16.0. SEE NOTES 7 & 8.

State of North Carolina
Department of Environment and Natural Resources
Wilmington Regional Office

Michael F. Easley, Governor

William G. Ross Jr., Secretary

FAX COVER SHEET

STATE FILE

Date: July 14, 2003
To: John Powers
CO: _____
FAX #: 919-733-4811

No. Of Pages: 2
From: Charlie Stehman
CO: _____
FAX#: 910-350-2004

REMARKS: Note AS was found in wall 2c



July 2, 2003

Dr. Charlie Stehman
NCDENR-DWQ Groundwater Section
127 Cardinal Drive Extension
Wilmington, NC 28405-3845

STATE FILE

Subject: Letter of Understanding
Response to Elevated Arsenic Concentrations in MW-2C
Old Ash Pond Area - L.V. Sutton Steam Electric Plant
Wilmington, New Hanover County, North Carolina
NPDES Permit No. NC0001422

Dear Dr. Stehman:

I would like to thank you and Geoff Kegley for meeting with Kerry MacPherson, Charlie Ross Hank Lyon, and Louise England, Environmental Specialists for Progress Energy, on June 10, 2003 regarding the subject groundwater issue at the Sutton Steam Electric Plant. This correspondence is provided at your request to summarize our intended actions.

It is our understanding that additional investigative work pursuant to 15A NCAC 2L .0106(d) is required to further characterize the hydrogeologic and groundwater quality conditions associated with the well MW-2C area.

Our scope of work will include but not be limited to: 1) a review of public records for pertinent hydrogeologic and groundwater quality data; 2) re-sampling of the existing monitoring well network; 3) installation and water quality sampling of additional wells as necessary, 4) an analysis of groundwater flow conditions; and 5) presentation of findings, conclusions and recommendations.

The establishment of a project schedule is anticipated within the next few weeks and will be provided to you in turn. Thank you again for your valued input and please contact either Hank Lyon (919.362.3322) or Kerry MacPherson (919-546-6753) if you have further comments or suggestions.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'M. Longfellow', followed by a horizontal line.

Michael Shawn Longfellow
Manager- L.V. Sutton Steam Electric Plant

7/7/03

To John Power

From KERRY MacPherson

Subj: Sutton DNA Letter

Look forward to working with
you on this project.

Kerry

Subject: [Fwd: Sutton Plant Oversight]

Date: Tue, 24 Jun 2003 14:30:08 -0400

From: Hanna Assefa <Hanna.Assefa@ncmail.net>

Organization: NCDENR

To: Jonathan.Powers@ncmail.net

STATE FILE

Subject: Sutton Plant Oversight

Date: Thu, 19 Jun 2003 12:06:05 -0400

From: Charles Stehman <Charles.Stehman@ncmail.net>

To: HANNA ASSEFA <HANNA.ASSEFA@ncmail.net>

Hanna,

This is a follow up on our discussion by phone yesterday. On June 10, 2003, Geoff Kegley and I met with representatives of Progress Energy (formerly CP&L) to discuss issues at that Company's New Hanover County Sutton Plant. Representatives from Progress Energy included Charlie Ross, Louise England, Hank Lyon and Kerry Mac Phearson. The topics discussed at this meeting included:

1. The presence of Arsenic in groundwater at monitoring locations to the east of the operating ash ponds.
2. A pending REC study of the plant's original ash disposal area (now closed) adjacent to the power generation facility.
3. A proposed disposal strategy for ash contained in the operating ash ponds on lands to the south of the Sutton Plant and development of a golf course upon the disposal area.

During the meeting I pointed out that the Division of Water Quality holds jurisdiction over the impact of the operative ash ponds because they are currently permitted by our agency and the activity is part of an on-going process. I also stated that DWQ did not have authority over the closed ash disposal area, but that we would be glad to review the findings of the REC. Progress Energy indicated that they were going to use the REC consultants to assess the cause and dynamics of the appearance of Arsenic in the monitoring well east of the operative ash ponds.

The discussion of the ash disposal south of the plant and the development of a golf course was not on the agenda and I was not prepared to discuss this matter. We did hear a presentation from a consulting firm on the matter (MacTec), but we made little comment. However, in my opinion some fixation would be required for the ash to be used as fill. We already know that the ash is leachable from the showing in groundwater east of the operative ponds. Furthermore that proposed golf course is adjacent to the existing Flemington Landfill, a very controversial site.

Charlie Stehman

Charles F. Stehman, Ph.D., P.G. <Charles.Stehman@ncmail.net>

Regional Groundwater Supervisor

Division of Water Quality/ Groundwater Section

North Carolina Department of Environment and Natural Resources

NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT



MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, DIRECTOR

June 05, 2003

Mr. Michael Longfellow, Manager
Progress Energy Steam Plant
801 Sutton Steam Plant Road
Wilmington, NC 28401

STATE FILE

RE: Carolina Power and Light Sutton Steam Plant
Wilmington, New Hanover County
NCD 000 830 646

Dear Mr. Longfellow:

We have received your May 23, 2003 letter summarizing your understanding of the discussions between the Inactive Hazardous Sites Branch (Branch) personnel, and Mick Greeson and Kerry Mcpherson of Progress Energy at the May 20, 2003 meeting. This letter is to provide clarification on one point.

The Branch has not yet made a final determination on which areas of concern at the subject site will be covered under a consent agreement with the Branch. As we discussed in the meeting, our office will first need to discuss agency jurisdiction with the North Carolina Division of Water Quality Wilmington Regional Office (DWQ). We agreed that a meeting between Progress Energy and DWQ to brief them regarding the contamination around the permitted units prior to our contacting them would be helpful. Representatives of Progress Energy at the meeting agreed to promptly scheduling such a meeting and notifying us of the date of the meeting. We will contact DWQ after the June 10, 2003 meeting scheduled between Progress Energy and DWQ.

If you have any questions please call me at (919) 733-2801 ext. 279.

Sincerely,

Hanna Assefa
Environmental Toxicologist
Inactive Hazardous Sites Program
Superfund Section



Progress Energy

File No.: SUT 13550-A

May 23, 2003

Certified Mail # 7001 2510 0008 6639 7737

Charlotte V. Jesneck, Head
Inactive Hazardous Sites Program, Superfund Section
Division of Waste Management
1646 Mail Service Center
Raleigh, North Carolina 27699-1646

STATE FILE

MAY 27 2003

Sutton Plant Ash Disposal Area Site Assessment

Dear Ms. Jesneck:

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc., received a letter dated April 23, 2003 from your office soliciting the Company's cooperation in conducting a site assessment at the "Sutton Steam Site." In response to your request, this letter serves to notify you that Progress Energy Carolinas intends to work cooperatively with the Division and will hire a Division-approved Registered Environmental Consultant to conduct a site assessment under the supervision of the Inactive Hazardous Sites Branch. Progress Energy Carolinas is also willing to enter into a negotiated consent agreement with the Division.

It is my understanding a meeting was held on May 20, 2003. The Progress Energy Carolinas representatives at this meeting were Mick Greeson, Strategic Environmental Analyst and Kerry MacPherson, Lead Environmental Specialist. The representatives for your organization at this meeting were Hanna Assefa, Environmental Toxicologist, John Powers, Hydrogeologist, and yourself. It was agreed the site assessment would be limited to the old dump area as shown in the enclosed Figure No. 4 from the 1999 Expanded Site Inspection Report which was prepared by Stephanie Grubbs of the Superfund Section. In addition, it was agreed the two active ash ponds, which operate in accordance with the terms and conditions of a National Pollutant Discharge Elimination System Permit (Permit NC0001422) would not be included in the site assessment. Instead, Progress Energy Carolinas will meet with the Division of Water Quality's Wilmington Regional Office on June 10, 2003 to discuss ash pond ground water monitoring data collected pursuant to Part I, Condition A.6 of our Permit NC0001422.

Please direct future correspondence concerning this issue to Kerry MacPherson, Lead Environmental Specialist in our Corporate Office at (919) 546-6753.

Respectfully yours,

Michael Shawn Longfellow
Manager - Sutton Steam Plant

Enclosure

c: Kerry MacPherson

Progress Energy Carolinas, Inc.
Sutton Steam Plant
801 Sutton Steam Plant Road
Wilmington, NC 28401

MAY. 23. 2003 7:37AM

A - SOIL SAMPLING LOCATIONS (SURFACE & SUBSURFACE)

NO. 179 P. 3

O - WELL SAMPLING LOCATIONS

● - SURFACE WATER & SEDIMENT SAMPLING LOCATIONS

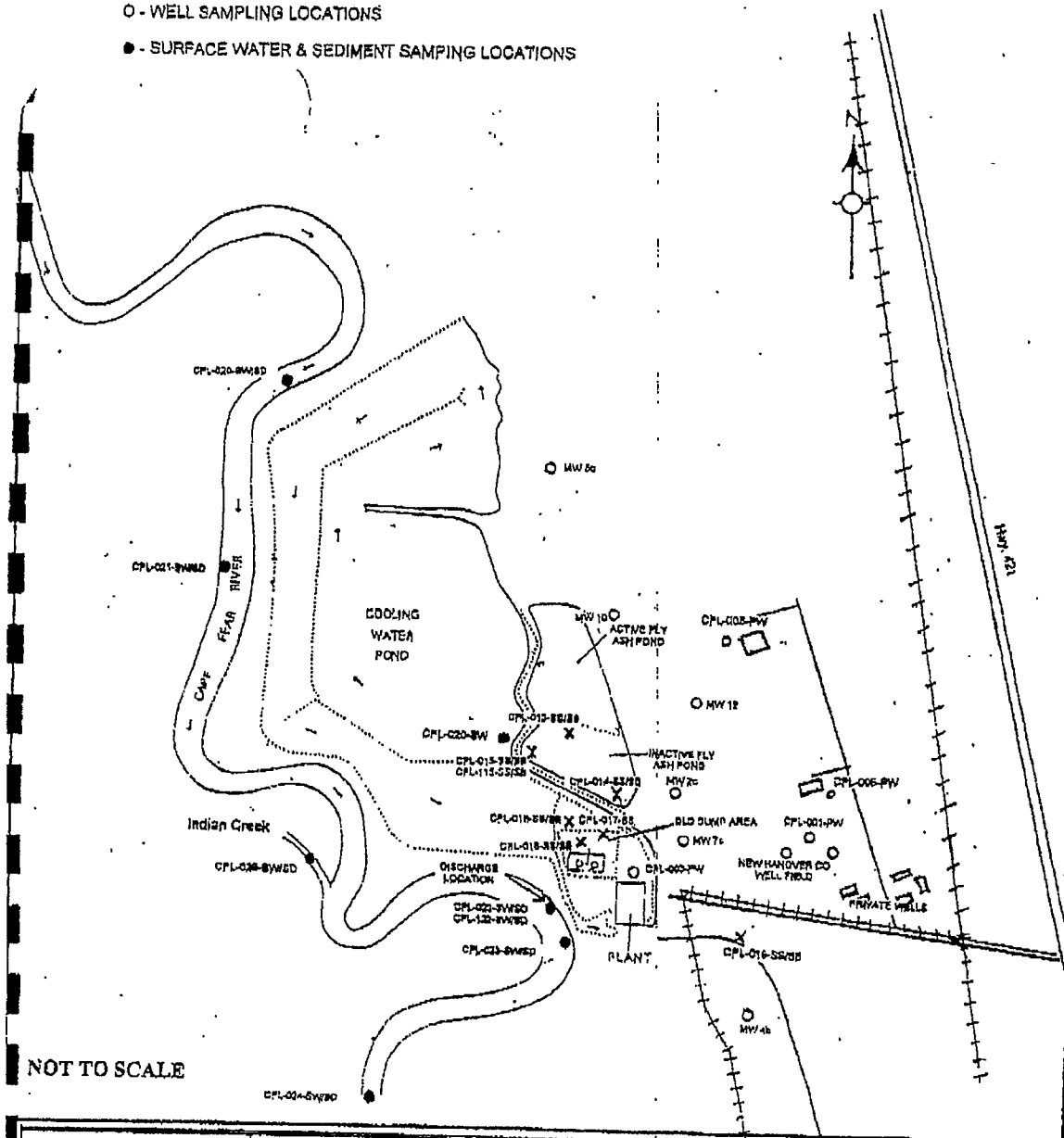


Figure No: 4

Title: Sampling Location Map from the 1999 ESI Sampling Event

North Carolina
Division of
Waste Management

Date: December 1999

Drawn By: S. Grubbs

Superfund Section

Site Name: CP&L Sutton Steam Electric

NCD 000 830 646

STATE FILE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Charles K Ross
Project Technical Specialist
CP&L/Progress Engergy
401 S. Wilmington Street
Raleigh NC 27601

2. Article Number

(Transfer from service label)

7001 2510 0007 1337 1552

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Flynn Greer*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Flynn Greer

C. Date of Delivery

4-28

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

**NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT**

**MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, DIRECTOR**



**CERTIFIED MAIL
Return Receipt Requested**

STATE FILE

April 23, 2003

Mr. Charles K. Ross
Project Technical Specialist
Carolina Power & Light Company / Progress Energy
401 S. Wilmington Street
Raleigh, NC 27601

RE: Carolina P&L Co. Sutton Steam
U.S. Highway 421
Wilmington, New Hanover County
NCD 000 830 646

Dear Mr. Ross:

This letter is written to solicit your cooperation in monitoring, testing, analyzing and reporting on the Carolina P&L Co. Sutton Steam Site (the Site). The Division of Waste Management (Division) has determined that there is a release, or substantial threat of a release into the environment of a hazardous substance from the Site. Based on evidence of soil and groundwater contamination, the potential for continued release of contaminants from the on-site fly ash pond into groundwater, and possible off-site migration of site groundwater contaminants into nearby drinking water wells, the Division considers the Carolina P&L Co. Sutton Steam site to be a high priority for assessment.

The subject site has been in operation since 1954 furnishing electricity through a coal fired generating process. Fly ash generated from the burning of coal is pumped into a 75 acre active lined fly ash pond on the CP&L property. Prior to 1985 a 68 acre pond (now inactive) and an area adjacent to the plant were both used for disposal of the fly ash. Metals and polyaromatic hydrocarbons were detected at concentrations above the Inactive Hazardous Sites Program remediation goals in soil in the old fly ash disposal area. Historical sampling data indicates that on-site groundwater has been contaminated with metals. Groundwater data from a New Hanover Community Well System well located approximately 0.25 miles from the Site also shows possible metal contamination. Also there is a rented trailer on the property adjacent to the subject site which is owned by the Ezell Trucking Company. The tenant in that trailer consumes groundwater from a well that is contaminated with metals below State groundwater standards. These drinking water wells are located close to the site.

1646 MAIL SERVICE CENTER, RALEIGH, NORTH CAROLINA 27699-1646
401 OBERLIN ROAD, SUITE 150, RALEIGH, NC 27605
PHONE: 919-733-4996 \ FAX: 919-715-3605

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER - 50% RECYCLED/10% POST-CONSUMER PAPER


Mr. Charles K. Ross
April 23, 2003
Page 2

In light of these facts, the Division requests that you conduct a site assessment under the supervision of the Inactive Hazardous Sites Branch. If you are agreeable to working cooperatively with the Division in cleaning up the site, you must contact the Division, within (30) thirty days of receipt of this letter. You must be willing to enter into a consent agreement with the Division and to hire a Division-approved Registered Environmental Consultant (REC) from the enclosed list to conduct and certify the remedial action work. A copy of our model REC consent agreement is enclosed for reference. This offer shall expire at the close of business on the 30th day following your receipt of this letter, so please notify the Division in writing if Progress Energy intends to comply with our request.

To protect public health and the environment, the Division has the authority under N.C.G.S. 130A-310.1(c) to order any responsible party to conduct such monitoring, testing, analysis, and reporting as deemed reasonable and necessary to ascertain the nature and extent of any hazard posed by a Site. However, prior to issuing site assessment orders, the Division sends letters such as this to offer responsible parties the opportunity to work cooperatively with the Division.

If you have questions concerning this assessment request, please contact Hanna Assefa at (919) 733-2801, ext. 279.

Sincerely,



Charlotte Jesneck, Head
Inactive Hazardous Sites Program
Superfund Section
Division of Waste Management

Enclosures

6 February 2003

Memorandum

To: File

From: Charlotte Jesneck
Inactive Hazardous Sites Branch
Superfund Section

Re: Carolina P & L Co. Sutton Steam
Wilmington, New Hanover County
NCD000830646

A Mr. McPhearson with Progress Energy telephoned me today about placing more ash in an ash pond at the above site. He said he already had obtained approval for the ash placement from the Division of Water Quality (DWQ). He said the pond was a DWQ permitted unit. I told him that while DWQ is monitoring the permit, they have jurisdiction over the pond. However, once the permit is terminated and if there are any hazardous substance contamination issues unresolved, we would still consider the site as requiring action. I also cautioned him that if he mixes uncontaminated material with contaminated material in the process of adding ash to the pond, he could be creating a bigger contamination problem to address in the future. He said he realized that, but that they needed a place to put the ash and DWQ has okayed it.

NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT



MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, DIRECTOR

January 23, 2003

Mr. William Cavanaugh, III
President and CEO
Carolina Power and Light Company
Post Office Box 1551
Raleigh, NC 27602

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

Dear Mr. Cavanaugh:

The site listed above has been included on the October 2002 Inactive Hazardous Waste Sites Priority List (Priority List) in accordance with North Carolina General Statutes Section 130A-310.2. The Priority List is a list of sites where uncontrolled disposal, spills, or releases of hazardous substances have been identified. A special priority system (North Carolina Administrative Code Title 15A Subchapter 13C Section 0.200) is used to rank the sites on this list in decreasing order of danger to public health and the environment.

This letter is being sent to you to fulfill our statutory duty to notify those who own and those who at present are known to be responsible for each site on the Priority List. A copy of the Priority List with each site's rank appearing in the right-hand column is attached. Please note this letter is simply a notice of the site's inclusion on the priority list and is not an order to conduct any work.

If a responsible party or owner wishes to voluntarily perform site cleanup, that party must enter into an agreement with the Branch to ensure Branch approval. You should not proceed with remedial actions independently. Each voluntary remedial action will be overseen by Branch staff or, at the discretion of the Branch, by approved environmental consultants.

Those who are interested in reviewing the Superfund Section's files on any of these sites may contact Scott Ross at (919) 733-2801, ext. 328, to schedule an appointment. If you are interested in conducting a voluntary cleanup of your site, or if you have any questions, you may contact me at (919) 733-2801, ext. 284.

Sincerely,

Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(SPLMERGE1-2003.LTR)

Enclosure

**NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT**

**MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, DIRECTOR**



January 23, 2003

Mr. Ben White
Manager of Environmental Services
Carolina Power & Light Company
Post Office Box 327
New Hill, NC 27562

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

Dear Mr. White:

The site listed above has been included on the October 2002 Inactive Hazardous Waste Sites Priority List (Priority List) in accordance with North Carolina General Statutes Section 130A-310.2. The Priority List is a list of sites where uncontrolled disposal, spills, or releases of hazardous substances have been identified. A special priority system (North Carolina Administrative Code Title 15A Subchapter 13C Section 0.200) is used to rank the sites on this list in decreasing order of danger to public health and the environment.

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Sincerely,

Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(SPLMERGE1-2003.LTR)

Enclosure

NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT



MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, INTERIM DIRECTOR

November 5, 2001

Mr. William Cavanaugh, III
President and CEO
Carolina Power and Light Company
Post Office Box 1551
Raleigh, NC 27602

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

Dear Mr. Cavanaugh:

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Sincerely,

Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(SPLMERGE2001.LTR)

Enclosure

NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT



MICHAEL F. EASLEY, GOVERNOR
WILLIAM G. ROSS, JR., SECRETARY
DEXTER R. MATTHEWS, INTERIM DIRECTOR

November 5, 2001

Mr. Ben White
Manager of Environmental Services
Carolina Power & Light Company
Post Office Box 327
New Hill, NC 27562

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Carolina P & L - Sutton Steam
Wilmington, New Hanover County

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Sincerely,

Charlotte V. Jesneck
Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(SPLMERGE2001.LTR)

Enclosure



NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES

DIVISION OF WASTE MANAGEMENT

November 30, 2000

JAMES B. HUNT JR.
GOVERNOR

BILL HOLMAN
SECRETARY

WILLIAM L. MEYER
DIRECTOR

Mr. William Cavanaugh, III
President and CEO
Carolina Power and Light Company
Post Office Box 1551
Raleigh, NC 27602

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

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Sincerely,

Charlotte V. Jesneck
Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(C:\WPWIN60\WPDOCS\ANNUAL2000\SPLMRG2000.LTR)

Enclosure



1646 MAIL SERVICE CENTER, RALEIGH, NORTH CAROLINA 27699-1646
401 OBERLIN ROAD, SUITE 150, RALEIGH, NC 27605
PHONE 919-733-4996 FAX 919-715-3605

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NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES

DIVISION OF WASTE MANAGEMENT

November 30, 2000

JAMES B. HUNT JR.
GOVERNOR

BILL HOLMAN
SECRETARY

WILLIAM L. MEYER
DIRECTOR

Mr. Ben White
Manager of Environmental Services
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Post Office Box 327
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Carolina P & L - Sutton Steam
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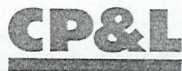
Sincerely,

Charlotte V. Jesneck/Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(C:\WPWIN60\WPDOCS\ANNUAL2000\SPLMRG2000.LTR)

Enclosure





RECEIVED

JAN 12 1999

Carolina Power & Light Company
PO Box 1551
Raleigh NC 27602

SUPERFUND SECTION

Tom D. Kilgore
Senior Vice President
Power Operations

January 6, 1999

Ms. Charlotte Jesneck
Inactive Hazardous Site Branch Superfund Section
Division of Waste Management
North Carolina Department of Environmental and Natural Resources
401 Oberlin Road, Suite 150
Raleigh, NC 27605

RE: Inactive Hazardous Waste Priority List:

CP&L - Cape Fear Steam
CP&L - Fayetteville
CP&L - Roxboro Steam
CP&L - Sutton Steam
CP&L - Weatherspoon Steam

Dear Ms. Jesneck:

Both Sherwood Smith, Chairman, and Mr. George Oliver, Manager of Environmental Services at Carolina Power & Light Company have received letters in reference to the above-named sites that were sent to fulfill your statutory duty to notify those who own and those who at present are known to be responsible for sites on the Inactive Hazardous Sites Inventory Priority List ("Priority List"). We understand that these letters are simply a notice of the sites' inclusion on the Priority List and not an order to conduct work.

In future correspondence, Carolina Power & Light requests the Superfund Branch to address these letters to William Cavanaugh III, President and Chief Executive Officer, and Benjamin C. White, Manager of Environmental Services.

Thank you for your help in this matter.

Sincerely,

TDK/dcj

c: Mr. William Cavanaugh III
Ms. Lisa Cooper
Ms. Ellen Pulaski
Mr. Benjamin White

NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES

December 15, 1998

DIVISION OF WASTE MANAGEMENT



JAMES B. HUNT JR.
GOVERNOR

WAYNE McDEVITT
SECRETARY

WILLIAM L. MEYER
DIRECTOR

Mr. George J. Oliver, Ph.D.
Manager of Environmental Services
Carolina Power & Light Company
Post Office Box 1551
411 Fayetteville Street Mall
Raleigh, NC 27602

Re: Inactive Hazardous Waste Sites Priority List
Carolina P & L - Sutton Steam
Wilmington, New Hanover County

Dear Mr. Oliver:

The site listed above has been included on the November 1998 Inactive Hazardous Waste Sites Priority List (Priority List) in accordance with North Carolina General Statutes Section 130A-310.2. The Priority List is a list of sites where uncontrolled disposal, spills, or releases of hazardous substances have been identified. A special priority system (North Carolina Administrative Code Title 15A Subchapter 13C Section 0.200) is used to rank the sites on this list in decreasing order of danger to public health and the environment.

This letter is being sent to you to fulfill our statutory duty to notify those who own and those who at present are known to be responsible for each site on the Priority List. A copy of the Priority List with each site's rank appearing in the left-hand column is attached (sites are listed in order of highest to lowest priority). Please note this letter is simply a notice of the site's inclusion on the priority list and is not an order to conduct any work.

If a responsible party or owner wishes to voluntarily perform site cleanup, that party must enter into an agreement with the Branch to ensure Branch approval. You should not proceed with remedial actions independently. Each voluntary remedial action will be overseen by Branch staff or, at the discretion of the Branch, by approved environmental consultants.

Those who are interested in reviewing the Superfund Section's files on any of these sites may contact Scott Ross at (919) 733-2801, ext. 328, to schedule an appointment. If you are interested in conducting a voluntary cleanup of your site, or if you have any questions, you may contact me at (919) 733-2801, ext. 284.

Sincerely,

Charlotte V. Jesneck/Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(C:\WPWIN60\WPDOCS\ANNUAL98\SPLMRG98.LTR)

Enclosure

NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES

December 15, 1998

DIVISION OF WASTE MANAGEMENT



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GOVERNOR

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Mr. Sherwood Smith, Chairman and CEO
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Superfund Section

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Enclosure

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Waste Management

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
William L. Meyer, Director



February 15, 1997

Mr. Sherwood Smith, Chairman and CEO
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Sincerely,

Charlotte V. Jesneck, Head
Inactive Hazardous Site Branch
Superfund Section

CVJ/slb(C:\WPWIN60\WPDOCS\ANNUAL96\SPLMRG97.LTR)

Attachment

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Waste Management

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
William L. Meyer, Director



February 15, 1997

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Manager of Environmental Services
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Attachment

P.O. Box 27687,
Raleigh, North Carolina 27611-7687
Voice 919-733-4996



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State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Solid Waste Management

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
William L. Meyer, Director



February 15, 1996

STATE FILE

Mr. George J. Oliver, Ph.D.
Manager of Environmental Services
Carolina Power & Light Company
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Raleigh, NC 27602

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Superfund Section

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Department of Environment,
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Division of Solid Waste Management

James B. Hunt, Jr., Governor
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February 15, 1996

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Attachment

24 July 1991

MEMORANDUM

TO: Jack Butler
Pat DeRosa
Charlotte Jesneck
Grover Nicholson

FROM: Lee Crosby *LC*

RE: Carolina Power & Light Company Sites

Carolina Power & Light Company has requested that we contact the CP&L Raleigh office when scheduling site visits or requesting information. The contacts are:

Dr. George Oliver, Environmental Services Section Manager
CP&L
Center Plaza Building - 4C3
PO Box 1551
Raleigh, NC 27602
Telephone 546-4189
Fax 546-7558

or

Carolyn Anderson
CP&L
Center Plaza Building - 4C3
PO Box 1551
Raleigh, NC 27602
Telephone 546-4879
Fax 546-7558

LC/acr