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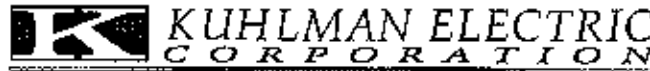
DATE: 12-7-00

**THERE IS MORE RECENT
INFORMATION IN
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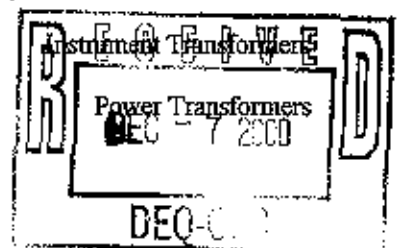
FILE COPY

Tel: (601) 892-4661

Fax: (601) 892-6406



101 Kuhlman Drive, Crystal Springs, Mississippi 39059



December 6, 2000

Kelli Dowell
Mississippi Department of Environmental Quality
P.O. Box 20305
Jackson, Mississippi 39289-1305

Craig Brown
U.S. Environmental Protection Agency
Region IV
61 Forsyth Street
Atlanta, Georgia 30303

Dear Ms. Dowell and Mr. Brown:

This letter constitutes the report required by Mississippi Department of Environmental Quality ("MDEQ") Administrative Order No. 4165-00, Section 8, Paragraph C.

As an initial matter, the report required by Section 8, Paragraph C encompasses many activities that are already underway or completed. To the extent that emergency removal actions to assess and remove PCB contamination under the direction of MDEQ have already been implemented, this report refers to those efforts. The majority of these efforts have been undertaken by BorgWarner Inc. and Kuhlman Corporation (collectively, BorgWarner) pursuant to an indemnification agreement between BorgWarner and Kuhlman Electric Corporation (KEC). See attached letter from BorgWarner to MDEQ. Thus, KEC has had to rely heavily upon BorgWarner in compiling this response.

(C1) Delineate all residential and commercial properties that have been affected either by runoff or by obtaining soil from the site.

Immediate steps were undertaken to recover soils removed from the KEC facility after the discovery that the soils may contain PCBs. Also, immediate steps were undertaken to assess and remediate properties adjacent to the KEC facility that were potentially affected by runoff containing PCBs. All work has been done under the direction of the MDEQ as emergency removal actions. Two laboratories experienced with polychlorinated biphenyl analysis have analyzed split samples. Further, samples have been frequently split with

on-site MDEQ representatives for MDEQ's independent analysis, which to KEC's knowledge consistently correlates with the on-site and off-site laboratory analytical results.

Soils Removed from the Site

Before issuance of the Administrative Order, KEC contracted with First Environment, Inc. to retrieve the soils taken to off-site residences and commercial properties in 2000 for use as fill. Five off-site areas were identified as receiving potentially contaminated soils. The properties are listed below:

- 1) Two soil piles from AKT Gravel Pit
- 2) Allean Meyers Property
- 3) J.C. Lomax Property
- 4) Caley Claiborne Property
- 5) Dwight Holiday Property

Between May 9 and May 18, 2000, First Environment retrieved and containerized the soils from these five locations under the supervision of MDEQ. A report of this removal activity has been provided to MDEQ and EPA. The roll-off containers that contain these soils have been sampled and will be disposed at the appropriate facility depending on the PCB concentration in accordance with MDEQ and EPA directives.

Buried soils remaining at AKT Gravel Pit were addressed in KEC's response to Section 8, Paragraph B of the Administrative Order.

Properties Affected by Runoff

As directed by MDEQ and pursuant to an indemnity agreement with KEC, BorgWarner and their contractors undertook delineation activities at residential and commercial properties adjoining KEC. These are properties that appear to have been affected by runoff or by removal of soil from the site prior to 2000. Eighteen properties around the site were investigated. Nine of the eighteen contained PCB levels greater than 1 mg/kg and nine contained levels less than 1 mg/kg. A listing of the properties is provided below organized according to PCB concentration.

Properties < 1 mg/kg PCB

- 1) Perry Smith, 219 North Jackson Street
- 2) Stringer Funeral Home, 301 North Jackson Street
- 3) Stringer Rental Property, 303 North Jackson Street
- 4) Harold and Suzanne Warren, 403 North Jackson Street
- 5) Elnor Wright, 401 North Jackson Street
- 6) Sonny Reeves, 405 North Jackson Street
- 7) Brent Property, 403 Lee Avenue
- 8) Louie Lang/David Vinson, 407 North Jackson Street
- 9) Jerry Youngblood, 100 Lamar Street

Properties > 1 mg/kg PCB

- 1) Medical Clinic, Lee Avenue
- 2) Edwards Property, 406 Lee Avenue
- 3) Garment Shop, 414 Lee Avenue
- 4) Frazier Property, 405 Lee Avenue
- 5) Duplex Property, 408/410 Lee Avenue
- 6) Kellum Property, 412 Lee Avenue
- 7) Dabney/Smith Property, 215 North Jackson Street
- 8) Cooper Property, 409 North Jackson Street
- 9) Larry and Carol Wright, 305 North Jackson Street

BorgWarner has completed the delineation activities and is currently remediating the *residential and commercial properties* for which access has been arranged by MDEQ with Mayor Webb's assistance and where property owners are cooperating. The sampling and analytical data from the delineation activities at these properties were reported to MDEQ and EPA. BorgWarner is submitting reports to MDEQ and EPA as each property remediation is completed. In accordance with MDEQ directives, the Cooper and Wright properties do not need further remedial action.

(C2) Delineate the soils on-site both horizontally and vertically for the constituents of concern. Below are some areas MDEQ has identified as needing additional sampling.

- a) South parking lots,
- b) North parking lot,
- c) Former above ground storage tank area on southwest side of plant, and
- d) Any additional areas on-site where soil from the site may have been used as fill.

Pursuant to its indemnification of KEC, BorgWarner has accepted responsibility for remediation of historic PCB contamination at the KEC facility. BorgWarner submitted a Preliminary Site Characterization Report of the site to the MDEQ. That characterization focused on approximately 4.6 acres of open area that is east and northeast of the Kuhlman manufacturing plant.

BorgWarner has also conducted substantial sampling activities at the south and north parking lot areas, former AST area southwest of the plant, the building expansion areas, and any other areas reported to have used site fill material in accordance with sampling plans verbally approved by MDEQ. The investigation work has been completed. BorgWarner will issue a report of this work.

C3) Determine all historic and present drainage pathways and delineate for constituents of concern.

Based upon conversations with city officials and the contour of the facility, KEC believes that the stormwater drainage ditch that leads from the KEC facility to Lake Chautauqua is the only major storm water pathway from the site. Some stormwater also appears to migrate to the south given historic contamination identified at surrounding properties. KEC is aware of no other historic or present drainage pathways.

Pursuant to its indemnity of KEC, BorgWarner has undertaken the delineation of the ditch. Under the direction of MDEQ, BorgWarner has commenced the horizontal and vertical delineation of the drainage ditch and the residential properties adjoining the drainage ditch after access was arranged by the joint efforts of Mayor Webb, MDEQ and BorgWarner. The preliminary report regarding the off-site drainage ditch will be completed and submitted by BorgWarner upon completion of the delineation activities.

C4) Delineate the sediments both horizontally and vertically in Lake Chautauqua for the constituents of concern.

C5) Sample the surface water and sediments at the effluent side of Lake Chautauqua for constituents of concern.

C6) To the extent required based on PCB levels in the sediments, perform an ecological assessment at Lake Chautauqua to determine what receptors of concern exist and the nature and extent of the impact the contamination has had on them.

Pursuant to its indemnity of KEC, BorgWarner has commenced the delineation of PCB contamination that passively migrated from the KEC facility, including any such migration to Lake Chautauqua. Plans to assess Lake Chautauqua will be developed upon receipt of the Task Force report setting fish consumption levels for PCB-containing fish. The extent of any sediment, surface water, outfall, and/or ecological assessment will be phased and commensurate with the identified impacts.

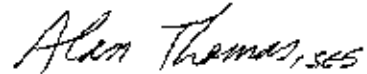
C7) Delineate the nature and extent of any groundwater contamination.

BorgWarner has stated that it will delineate the nature and extent of any groundwater contamination relative to the Kuhlman facility. See attached letter from BorgWarner to MDEQ. It is critical that the protective cover at the facility is not disturbed until soil removal or capping begins in order to mitigate storm water transport of PCB-containing soil. Therefore, groundwater delineation will begin at the time that remediation at the Kuhlman facility is underway.

* * * *

We hope the enclosed information is helpful. KEC looks forward to continuing to work with MDEQ and EPA to resolve this matter as quickly as possible.

Sincerely yours,



Alan Thomas

Enclosure

cc: Gretchen Zmitrovich, MDEQ
Paul Acheson, KEC
Tom Minnich, KEC
Bob Thompson, IT Corp.
Scott Schang, Latham & Watkins
Anastasia Hamel, BorgWarner
Tom Lupo, Seyfarth, Shaw

AH-00-1631

VIA UPS NEXT DAY AIR



BorgWarner

October 31, 2000

Anastasia Harnel
Director, Environmental Programs
BorgWarner Inc.
11955 East Nine Mile Road
Warren, Michigan 48089

Mr. Jerry Banks
Chief - Hazardous Waste Division
Mississippi Department of Environmental Quality
101 West Capitol Street
Jackson, Mississippi 39201

Re: Kuhlman Electric Corporation's Crystal Springs, Mississippi Plant

Dear Mr. Banks:

This letter addresses our numerous conversations of the past several months concerning BorgWarner Inc.'s (*f/k/a* Borg-Warner Automotive, Inc.) and Kuhlman Corporation's (collectively "BorgWarner") current and intended investigation and remediation activities relative to the Kuhlman Electric Corporation ("KEC") plant site in Crystal Springs, Mississippi ("KEC Plant"). Given the fast and frequent developments surrounding the KEC Plant and BorgWarner's efforts, we believe an update is appropriate.

As further detailed in the July 2000 Preliminary Site Characterization Report ("Preliminary Report"), submitted on behalf of BorgWarner Inc. and KEC, the subject site was *constructed and has been operated* by KEC and its predecessors since the 1950s, manufacturing electrical transformers. BorgWarner Inc. purchased Kuhlman Corporation, the former parent of KEC, in March 1999. The KEC plant was sold a mere nine months later, when BorgWarner closed its sale of KEC to the Carlyle Group and its affiliates the "Transaction".

BorgWarner and KEC are completely independent and unaffiliated companies and BorgWarner possesses only publicly available information about the KEC plant's operations. Neither BorgWarner nor the present Kuhlman Corporation has ever directly owned or operated the KEC Plant.¹ Rather, as part of the Transaction, BorgWarner provided a contractual

¹ BorgWarner understands that MDEQ has been informed that Kuhlman Corporation once owned and/or operated the KEC plant. This is not accurate. A former Michigan corporation, also named Kuhlman Corporation ("Old Kuhlman"), was perhaps more closely related to the plant at issue. However, Old Kuhlman was merged into the newly formed Kuhlman Electric Corporation in 1993. A new Kuhlman Corporation, a Delaware corporation, was formed as a holding company for KEC and other business entities. Accordingly, the new Kuhlman Corporation purchased by BorgWarner in 1999 has never directly owned and/or operated the KEC plant.

indemnity for environmental conditions existing *on or prior to* the closing date. To the extent that contamination occurred after the closing date, or subsequent activities by KEC, its employees, contractors or agents caused the disruption or loss of control of any pre-closing contamination, or a change or movement of the hazard, BorgWarner's indemnity does not apply.

When KEC reported that construction activities revealed the subject contamination, BorgWarner promptly and voluntarily commenced, with the cooperation of KEC, MDEQ and local government, its investigation into the pre-closing environmental conditions at the KEC facility and the adjacent properties. BorgWarner established a presence at the KEC plant, including an on-site laboratory, and began substantial sampling activities. BorgWarner organized and made initial assessments of the information collected to date, including the Preliminary Report submitted to MDEQ. BorgWarner continued in this thorough and expensive undertaking by assessing and commencing the remediation of the neighboring residences.

BorgWarner appreciates the positive and logical working relationship with the MDEQ to date, despite circumstances which clearly hold great potential for adversity. BorgWarner is committed to working closely with MDEQ, U.S. EPA and local government in a cooperative manner to accomplish the tasks necessary to the protection of human health and the environment, to the extent that the circumstances are covered by its contractual indemnity to KEC. BorgWarner will continue to discuss its intended activities with MDEQ and to promptly share information.

ACTIONS TAKEN AND PLANNED

Residential and Commercial Properties

BorgWarner promptly and voluntarily undertook sampling and delineation activities at the KEC plant and all adjoining residential and commercial properties that appear to or reportedly *have been affected by runoff or by the removal of soil from the KEC plant prior to October 6, 1999*. The results were submitted to the MDEQ and it is to our understanding that the MDEQ has forwarded the results to the respective homeowners.

BorgWarner has acted under the continuous guidance and direction of the MDEQ with respect to delineation and intended remediation activities at the residential and commercial properties. Split samples are analyzed and QA/QC procedures are implemented by two laboratories experienced with polychlorinated biphenyl analysis. Further, the samples are frequently split with on site MDEQ representatives for MDEQ's independent analysis, which to our knowledge consistently correlates with the on-site and off-site laboratory analytical results. MDEQ and U.S. EPA have stated that the residential soils, to the extent that the contamination levels do not exceed 10 parts per million (ppm) polychlorinated biphenyls ("PCBs"), may be permanently deposited on the KEC plant site if ultimately placed under concrete or asphalt.

BorgWarner also is willing to conduct sampling activities at further properties where credible information shows the deposition of soils from the KEC plant prior to October 6, 1999. Few further sites have been identified and BorgWarner is awaiting further related information.

As further discussed below, a group of third-parties has taken steps which interfere with MDEQ's and BorgWarner's efforts. Because of this development, the timing of further activities concerning the remediation and restoration of off site properties is uncertain and appears likely to be deferred.

KEC Plant

After an initial phase of sampling in the areas identified with KEC's construction activities and the related equipment decontamination zone, BorgWarner returned and conducted further, substantial sampling activities in the south and north parking lot areas as well as the former above ground storage tank area. These delineation activities, other than any possible data gaps, have been completed. The results are currently being tabulated and compared for correlation purposes between the on-site and off-site laboratories, prior to being issued to MDEQ. Should any data gaps exist, BorgWarner will conduct further sampling activities.

Drainage Pathways

BorgWarner is aware of the drainage pathways provided by the drainage ditch currently leading to Lake Chautauqua and related to stormwater that may have run off the KEC plant in a southerly direction. As stated above, BorgWarner already has performed delineation activities at the suspected storm water runoff areas. BorgWarner has commenced the horizontal and vertical delineation at the residential properties adjoining the drainage ditch now that access has been arranged by the joint efforts of Crystal Springs Mayor Hugh Webb, MDEQ and BorgWarner. Unfortunately, it is anticipated that the activities of the third-parties are likely to interfere with this effort.

BorgWarner is not aware of additional drainage pathways, historic or otherwise.

Lake Chautauqua

BorgWarner intends to delineate the sediments at Lake Chautauqua, prepare an ecological assessment, and conduct surface water sampling, to the extent appropriate upon receipt of the pending "Task Force" report. As we have discussed, these activities will not begin on any great scale until the Task Force report is evaluated and the primary source area, the KEC plant property, and adjacent and affected residences, have been remediated.

Groundwater Delineation

BorgWarner also intends to delineate the nature and extent of any groundwater contamination relative to the KEC plant. Groundwater delineation will take place at the time that remediation at the KEC plant commences. It is critical not to disturb the protective cover at the site and to leave the groundwater endeavor until BorgWarner is actively remediating on the KEC plant property. This approach will ensure that sediments from the KEC Plant do not travel to the ditch and the lake.

As you are aware, BorgWarner's sampling activities to date have not identified evidence of an underground aquifer.

AKT Gravel Pit

As we have discussed, BorgWarner's contractual indemnity to KEC does not cover the AKT gravel pit. Rather, the circumstances at the AKT gravel pit occurred after BorgWarner had sold KEC.

BorgWarner understands that materials collected by KEC from its employees' homes and the AKT Gravel Pit are staged in rolloff containers at the KEC plant. Both Craig Brown, of U.S. EPA, and MDEQ representatives, have stated that no regulatory deadlines will apply to KEC's rolloffs during the cleanup, and that that these materials as well as materials from properties adjacent to the KEC Plant, to the extent that sampling reveals contamination levels that do not exceed 10 ppm PCBs, may be returned to the KEC plant site and reclaimed as fill material, if placed under concrete or asphalt.

FURTHER RELEVANT TOPICS

BorgWarner neither possesses knowledge nor has access to information concerning the following topics:

- The chemicals historically and currently in use on site and their related storage and management methods, except as set forth in the Report.
- Whether KEC historically remanufactured or currently remanufactures transformers at the Crystal Springs facility.
- The removal of any soils from the KEC plant at any time, whether during construction activities or otherwise. This information would be helpful to BorgWarner in its efforts to address pre-October 1999 soil removal events.
- Plant improvements or regrading that may have affected surface gradients.

- The removal of contaminated soils from the KEC plant by KEC's employees and KEC's efforts to remediate locations impacted by these removal activities, except as may be provided by KEC to MDEQ and U.S. EPA.

Activities by Unidentified Consultant during MDEQ-Directed Response Activities

As you are aware, an unidentified consultant has undertaken what appears to be sampling activities at properties neighboring the KEC plant property. We understand that these activities may continue along the drainage ditch leading to Lake Chautauqua. We previously were informed that to the extent that certain third-parties sought to conduct sampling activity on properties arguably affected by the circumstances at the KEC plant property, the parties would conduct split sampling with MDEQ and BorgWarner. In particular, we received October 17, 2000 correspondence from a Douglas J. Mercier, counsel for the Kellums and the Edwards, on this point. We have since learned that the unidentified consultant has conducted sampling activities on the Kellums' and Edwards' premises and many others without notice to BorgWarner, KEC, and MDEQ. We are informed that the Nutt Law Firm has commissioned these activities, but are not certain.

First, the involvement of these law firms and the unidentified consultant is troubling in a number of respects. This unidentified consultant is performing sampling activities in the midst of MDEQ-directed sampling and remediation efforts. Second, the sampling activities of this consultant are independent of MDEQ, and may later be used to question the quality of the sampling and the integrity of this MDEQ-directed remediation effort. Third, they are interfering with aspects of the commissioned remediation crews' activities, and adding tension to an otherwise progressing activity and have already greatly delayed the remediation and restoration efforts scheduled for certain properties in order to protect human health and the environment.

As we have discussed, BorgWarner will continue to address those properties for which access has been arranged by MDEQ's and the Mayor's assistance and where an attorney and/or the independent consultant are not involved. To the extent any sampling has or is believed to have been conducted on a property by an independent consultant, we understand that MDEQ agrees that it makes little sense to proceed with the scheduled remediation activities until both MDEQ and BorgWarner are assured that all sampling activities have been completed and the results are evaluated and perhaps challenged by further sampling. To allow otherwise will invite these third-parties to question the quality of the tightly quality-controlled MDEQ and BorgWarner sampling procedures and results as well as MDEQ's management of this project.

We trust that the MDEQ will take the necessary steps to collect any and all sampling event and analysis information from each of the residential property owners so that this important project can proceed. As stated above, to allow otherwise would position non-participants to challenge the integrity and progress of this project.

BorgWarner seeks to continue the open communication with MDEQ. Further, BorgWarner will seek to regularly meet with and to keep the Office of the Mayor of Crystal Springs both informed and up-to-date with its accomplishments and current and intended activities.

Should you have any questions or comments concerning this letter, please contact me directly at (810) 497-4503 at your earliest convenience.

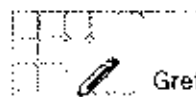
Very truly yours,



Anastasia Hamel
Director, Environmental Programs
BorgWarner Inc.

cc: T. Russell, MDEQ
G. Zmitrovich, MDEQ
K. Dowell, Esq. MDEQ
C. Brown, US EPA
H. Webb, Mayor Crystal Springs
Laurene H. Horiszny, Esq.
Thomas D. Lupo, Esq.
Robert Martin, M&S
Scott E. Schang, Esq.
Thomas M. Minnich, CFO
Al Thomas

FILE COPY



Gretchen Zmitrovich
12/06/2000 01:27 PM

To: paul@keco.com @ INETDEQ, mickeyc@keco.com @ INETDEQ, ahamel@afs.bwauto.com @
INETDEQ, tlupo@seyfarth.com @ INETDEQ, robmartin001@aol.com @ INETDEQ,
scott.schang@lw.com @ INETDEQ, athomas@keco.com @ INETDEQ
cc:

Subject: residential sampling by third party

Meg McAlistar of David Nutt & Associates delivered a report on the sampling conducted by 3TM on 4 of the residential properties along Jackson St. and Lee Ave. to our office this morning. I have not reviewed it in its entirety but I was told that the results correlated with BorgWarner's and MDEQ's results. The report is in the public file if anyone wishes to copy it.

If you have any questions, please feel free to call me at 601-961-5240.



FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

December 4, 2000

Mr. Al Thomas
Kuhlman Electric Corporation
101 Kuhlman Drive
Crystal Springs, Mississippi 39059

RE: Kuhlman Electric Corp. Site
Crystal Springs, Copiah County, MS

Dear Mr. Thomas:

The Mississippi Department of Environmental Quality (MDEQ) has reviewed your November 16, 2000 response to Section 8, Paragraph A of Administrative Order #4165-00 and the November 15, 2000 *Final Report* issued by First Environment. The MDEQ has also reviewed the US EPA's correspondence dated November 27, 2000 in regard to your transmittals. The MDEQ concurs with the US EPA's requirement that the soil removed from the Claiborne property be disposed of at an approved PCB landfill. The MDEQ will require no further investigative or remedial action on the properties outlined in the First Environment report at this time.

In addition, the MDEQ has no comments on your response to Section 8, Paragraph A of the Order. Please forward a written response to the US EPA's questions to the MDEQ and the US EPA by December 29, 2000. If you have any questions concerning this matter, please contact Gretchen Zmitrovich at 601-961-5240.

Sincerely,

Tony Russell, Chief
Uncontrolled Sites Section

cc: Craig Brown, US EPA Region 4
Kelli Dowell, MDEQ
Anastasia Hamel, BorgWarner, Inc.



FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

December 4, 2000

Mr. Al Thomas
Kuhlman Electric Corporation
101 Kuhlman Drive
Crystal Springs, Mississippi 39059

RE: Kuhlman Electric Corporation Site
Revised Site Assessment Work Plan Submittal-AKT Gravel Pit, dated
December 1, 2000
Crystal Springs, Copiah County, MS

Dear Mr. Thomas:

The Mississippi Department of Environmental Quality (MDEQ) has reviewed the above referenced document submitted on your behalf by IT Corporation. The MDEQ approves the work plan as outlined.

If you have any questions concerning this matter, please contact Gretchen Zmitrovich at 601-961-5240.

Sincerely,


Tony Russell, Chief
Uncontrolled Sites Section

cc: Craig Brown, US EPA Region 4
Kelli Dowell, MDEQ
Anastasia Hamel, BorgWarner, Inc.
Robert Thompson, IT Corporation

Kuhlman-Letter to Thomas-approval of revised gravel pit work plan_12-4-00 (gz)

FAX

FILE COPY

To: Anastasia Hamel	From: Gretchen Zmitrovich	
BorgWarner	 MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY	Office of Pollution Control
		P.O. Box 10385
		Jackson, MS 39289-0385
Phone: 810-497-4503	Phone: 601-961-5240	
Fax: 810-497-4441	Fax: 601-961-5300	

Date: December 4, 2000		Routine		Priority
Number of pages, including this one: 3				
Message: Please arrange to have this property tested. Most of it is asphalt but the MDEQ agrees that the grassy area needs to be sampled. Call me with any questions you have. Gretchen				

CITY OF CRYSTAL SPRINGS
P.O. BOX 473
210 EAST RAILROAD AVE.
CRYSTAL SPRINGS, MS 39059

FAX COVER SHEET

DATE: ^{Dec.} 12/1/00

TIME: 9:41

TO: Gretchen
Tony Russell

PHONE: 961, 5240

FAX: 961, 5300

FROM: Hugh Web
CITY OF CRYSTAL SPGS

PHONE: 601/892-1210
FAX: 601/892-4870

RE: Request for PCB testing
by Judy Abraham owner

Number of pages including cover sheet: 2

Kwik Kover Inc.

Message

Please contact ms. Abraham
on her concern.

12/1/00

As owner of the property located at 119 N. Jackson Street named Kwik Korner, Inc., I am requesting that my property be tested for PCB contamination. The properties adjacent to mine (both north and west) are contaminated. My property has experienced run-off from these properties.

I do have exposed soil, not all of it is covered with asphalt.

The contractors who are cleaning up have blocked-off the street beside my business, affecting my sales. There was a problem with them using my parking ~~with~~ as "their" parking lot. However they have addressed this problem. When they were blocking my property, there was a definite negative impact on my business.

I would appreciate these issues being addressed.

Thank you
Judy Graham, Owner
Kwik Korner, Inc

Home: 892-3379

Work: 892-4330



Fax

FILE COPY

BorgWarner Inc.
11955 East Nine Mile Road
Warren, Michigan 48089

FAX TRANSMITTAL INFORMATION	
From: Anastasia Hamel	To: Gretchen Zmitrovich
Of: BorgWarner Inc.	Of: MDEQ
Phone: (810) 497-4503	Fax: 601-961-5300
Fax: (810) 497-4441	RE: Meteor Article
<p>Please deliver the attached to Gretchen Zmitrovitch.</p> <p>Thank you.</p> <p><i>Anastasia Hamel</i></p>	
<p>This facsimile contains information which (a) may be legally privileged, proprietary in nature or otherwise protected by law from disclosure, and (b) is intended only for the use of the addressee(s) named above. If you are not the addressee or the person responsible for delivering this to the addressee(s), you are hereby notified that any disclosure, copying, distributing or use of this facsimile is prohibited and may constitute an invasion of the privacy of the addressee(s). If you have received this facsimile in error, please telephone us (collect) immediately so that we can arrange for the retrieval of the facsimile at no cost to you.</p>	
Date: November 29, 2000	Number of page(s) in this fax including cover <u>2</u>

Original will be sent via: Mail Overnight Courier Will Not Be Sent

Wednesday, November 22, 2000

Happy
Thanksgiving!



PCB cleanup proceeding, additional property tested

By Henry Carney

Cleanup of PCB contamination near the Kuhlman plant site is continuing with one residential and one commercial project completed at the end of last week. The effort will be moving to an additional commercial and residential site immediately. Resolution of legal matters will be necessary before additional remediation in the area can begin.

The Department of Environmental Quality is considering the issuance of an order that if BorgWarner is not permitted to proceed with remediation of any

individual property the property owner could be responsible for the cleanup according to Mayor Hugh Webb.

Property along the drainage ditch between the railroad west to Lake Clautanqua except for two parcels has been tested and some contamination above the maximum allowed along the creekbank has been detected. Some parcels, however, showed no contamination above the legal limit. A meeting to explain the matters to those affected is expected.

Mayor Webb's greatest concern is

Please turn to page 7

PCB cleanup —

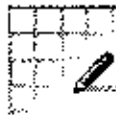
Continued from page 1

the possibility that some contaminated material dumped in the AKI gravel pit on Lee Avenue might find its way into the city's drinking water aquifer and DEQ has confirmed that there is some exposure there. BorgWarner and Kuhlman are not presently in agreement as to whose responsibility the clean-up of material away from the plant site is. The city has requested that this cleanup be given high priority and the liability assessed at a later time.


The city's consultants continue to request that additional manpower be dedicated to expedite the cleanup but BorgWarner's response is that they are moving expeditiously, far faster than clean-up usually proceeds in similar situations. In a letter to the city, BorgWarner expressed their disappointment that the city has pressed its request for a speedup of remediation.

The parties involved plan to continue their monthly information sharing sessions.

FILE COPY

 Gretchen Zmitrovich
11/29/2000 08:42 AM

To: Jeff Smith <JSmith@sheldonlabs.com> @ INETDEQ
cc: Kelli Dowell/Legal/Admin/DEQ@DEQ, Tony Russell/HW/OPC/DEQ@DEQ

Subject: Re: Test Results 

I'm sorry; I thought I responded. I have not seen the test results. I have verbally been informed that the levels were close to 1 so they extended the excavation closer to the house. With the holidays and a slight case of a stomach virus, I have not been in the field lately. I did, however, drive by the site this weekend and it looked like they had backfilled most of the excavation. As far as when a report will be issued, I am unsure. They will be writing the reports on their trips back to their offices. I would say it might take a couple of months to get everything finalized through my office. As soon as I receive the report, I'll let you know.

FILE COPY



Jeff Smith <JSmith@sheldonlabs.com> on 11/29/2000 08:40:41 AM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc: Kelli Dowell/Legal/Admin/DEQ@DEQ, Tony Russell/HW/OPC/DEQ@DEQ

Subject: RE: Test Results

Thanks, I hope you're feeling better. I understand from Robert Martin that under the boat shed there was a level of 17ppm. I would like a copy of all results as soon as possible.

Thanks again,
Jeff

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

From: Gretchen_Zmitrovich@deq.state.ms.us
[mailto:Gretchen_Zmitrovich@deq.state.ms.us]
Sent: Wednesday, November 29, 2000 6:43 AM
To: Jeff Smith
Cc: Kelli_Dowell@deq.state.ms.us; Tony_Russell@deq.state.ms.us
Subject: Re: Test Results

I'm sorry; I thought I responded. I have not seen the test results. I have verbally been informed that the levels were close to 1 so they extended the excavation closer to the house. With the holidays and a slight case of a stomach virus, I have not been in the field lately. I did, however, drive by the site this weekend and it looked like they had backfilled most of the excavation. As far as when a report will be issued, I am unsure. They will be writing the reports on their trips back to their offices. I would say it might take a couple of months to get everything finalized through my office. As soon as I receive the report, I'll let you know.

FILE COPY



"Thompson, Bob" <Bthompson@TheITGroup.com> on 11/28/2000 07:27:38 PM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ, "Brown.Craig@epamail.epa.gov"
<Brown.Craig@epamail.epa.gov>
cc: "scott.schang@lw.com" <scott.schang@lw.com>
Subject: Kuhlman Electric Corporation - Roll-off Container Results

Attached is the data from the sampling of the soil and water in the roll-off boxes. One box (from the Clainborne Property) had PCB at 190 mg/kg. This will have to go to a TSCA landfill. Another box (from Lomax Property and AKT) had PCB at 29 mg/kg. Based on our agreement with MDEQ and EPA, the five individual grab samples will now be analyzed for this box. If any one grab is above 50 mg/kg, this box will go TSCA. All other soil can go to a Subtitle D landfill.

The water had no PCBs. I propose that IT make arrangements for permission from the local POTW to accept this water. Does MDEQ or EPA have any objections if Al Thomas and I contact the Mayor for his input? Based on lack of resistance, we would move forward with additional data needs (COD, solids, etc.) and authorization.

A. Robert Thompson
bthompson@theitgroup.com

IT Corporation
11560 Great Oaks Way, Suite 500
Alpharetta, GA 30022
770-667-7790
770-442-7399 fax

<<Roll-off data.xls>>



Roll-off data.xls

**Roll-off Boxes
 Analytical Results**

Roll-off Box Number and Sample ID	Unit	Results									
		Aroclor 1016	Aroclor 1221	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260			
RB7801	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	0.26
RB7802	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	0.4
RB7803	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	3.5
RB7804	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033
RB7805	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	6.6
RB7807	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	2.9
RB2108	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	6.7
RB2002	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	2
RB2573	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	1.91
C258	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	4.8
RB26010	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	2.1
C250	mg/Kg	<0.033	<0.066	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	<0.033	3.2
RB7808 Water	ug/l.	<1	<2	<1	<1	<1	<1	<1	<1	<1	<1
RB2598 Water	ug/L	<1	<2	<1	<1	<1	<1	<1	<1	<1	<1
Composite Water	ug/l.	<1	<2	<1	<1	<1	<1	<1	<1	<1	<1



STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

FILE COPY

November 27, 2000

Mr. Al Thomas
Kuhlman Electric Corporation
101 Kuhlman Drive
Crystal Springs, Mississippi 39059

RE: Kuhlman Electric Corporation Site
Site Assessment Work Plan Submittal-AKT Gravel Pit, dated November 20, 2000
Crystal Springs, Copiah County, MS

Dear Mr. Thomas:

The Mississippi Department of Environmental Quality (MDEQ) has reviewed the above referenced document submitted on your behalf by IT Corporation. The MDEQ's approval of the work plan is contingent on the incorporation of the following requirement. Sufficient samples should be collected and analyzed for chlorinated benzenes, polynuclear aromatic hydrocarbons, silver, cyanide and volatile organic compounds to determine if they are present in the soils at the AKT gravel pit. Administrative order #4165-00 states that a work plan to delineate the soils both horizontally and vertically at the AKT gravel pit for the constituents of concern be submitted for approval. The work plan submitted only addressed polychlorinated biphenyls. If any of these compounds are present above the MDEQ's unrestricted Tier 1 Target Remediation Goals, they should be delineated both vertically and horizontally. Please submit a revised work plan for approval, which incorporates this requirement.

If you have any questions concerning this matter, please contact Gretchen Zmitrovich at 601-961-5240.

Sincerely,

Tony Russell, Chief
Uncontrolled Sites Section

cc: Craig Brown, US EPA Region 4
Kelli Dowell, MDEQ
Anastasia Hamel, BorgWarner, Inc.
Robert Thompson, IT Corporation

Kuhlman-Letter to Thomas-approval of gravel pit work plan_11-27-00 (gz)

FILE COPY



Jeff Smith <JSmith@sheldonlabs.com> on 11/27/2000 03:29:00 PM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ

cc:

Subject: Test Results

Gretchen:

Never received a reply from you in regard to my request a couple of weeks ago for test results. Have they completed the testing and when will I receive the results?

Thanks,

Jeff Smith



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

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NOV 29 2000
U.S. Environmental Quality
Administration

NOV 27 2000

4APT-TS

Alan Thomas
Kuhlman Electric Corporation
101 Kuhlman Drive
Crystal Springs, MS 39059

Dear Mr. Thomas:

The Environmental Protection Agency, Region 4 (EPA) has reviewed your company's November 16, 2000, response to the Mississippi Department of Environmental Quality (MDEQ) Administrative Order No. 4165-00, Section 8, Paragraph A and the November 15, 2000, Final Report on off-site emergency soil removals and equipment decontamination conducted by First Environment for Kuhlman Electric. We have a few follow-up questions on the responses to the MDEQ order and a question on the disposition of material recovered from one of the residential properties.

EPA has also received and reviewed the November 20, 2000, Site Assessment Work Plan for the AKT Gravel Pit prepared by the IT Group. EPA is satisfied with the site assessment plan for the gravel pit, as written. If changes to the plan are made in response to MDEQ comments, EPA will need to review the revised plan before it is implemented.

Response to MDEQ Order:

Paragraph A.1, Past Chemical Disposal

1. What were the sources of the (polychlorinated biphenyl) PCB capacitors sent to Ensco, Inc., and later to Safety Kleen? Please specify capacitor type and size.
2. Where specifically in Jackson, Mississippi was PCB-containing dielectric fluid sent for reclamation, how much oil was sent, what was the PCB concentration of this material and over what period of time was it sent?
3. To which Ashland Chemical Company facility were waste oils and absorbent sent? Did these materials contain PCBs? If so, please specify the PCB concentration range for these materials and when these transactions occurred.

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MAY 5 2 5008

U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Paragraph A.2., Disposition of Residual Dielectric Fluid from Remanufactured Transformers

4. It was stated that transformers sent to Kuhlman for remanufacture were generally shipped drained but that any residual oil remaining in the units would have been soaked up with sawdust, removed from the premises and burned. Where was this material disposed of (burned), when, and by whom?

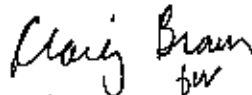
First Environment Report:

1. With regard to the soil removed from the Claiborne property, EPA was not aware that this material had been tested before removal and was found to contain PCBs at a concentration in excess of 1600 parts per million. Was this material placed in a single roll-off container at the Kuhlman site or was it combined with soil from other removal sites? If the roll-off containing soil recovered from the Claiborne property is being stored in an individual roll-off container, EPA would prefer that this material to be disposed of at an approved PCB disposal facility regardless of the outcome of the roll-off characterization sampling performed by IT Corporation.

EPA anticipates that MDEQ may have additional questions concerning the documents referenced above. If so, Kuhlman should prepared a combined response to EPA and MDEQ questions/comments. EPA will defer to MDEQ in setting a deadline for Kuhlman's responses.

If you have any questions concerning this letter, please contact Craig Brown of the EPA Region 4 staff at (404) 562-8990 or brown.craig@epa.gov.

Sincerely,



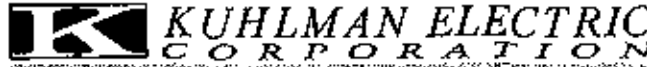
Alfreda Freeman
Chief
Toxic Substances Section

cc: Kelli Dowell, MDEQ
Gretchen Zmitrovich, MDEQ
Robert Thompson, IT Group

FILE COPY

Tel: (601) 892-4661

Fax: (601) 892-6406



Instrument Transformers

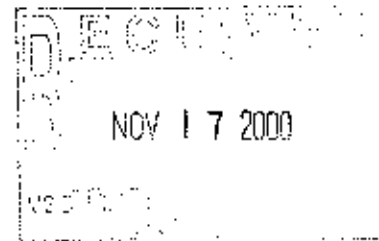
Power Transformers

101 Kuhlman Drive, Crystal Springs, Mississippi 39059

November 16, 2000

Kelli Dowell
Mississippi Department of Environmental Quality
P.O. Box 20305
Jackson, Mississippi 39289-1305

Craig Brown
U.S. Environmental Protection Agency
Region IV
61 Forsyth Street
Atlanta, Georgia 30303



Dear Ms. Dowell and Mr. Brown:

This letter constitutes the report required by Mississippi Department of Environmental Quality ("MDEQ") Administrative Order No. 4165-00, Section 8, Paragraph A.

Paragraph A.1

What chemicals are being or have historically been used on site?

Kuhlman Electric Corporation ("KEC") does not have a complete record of the chemicals used on-site historically. To KEC's knowledge, the following chemicals have been or are being used in KEC's operations:

- polychlorinated biphenyls
- chlorinated benzenes
- mineral oil
- mineral spirits
- silver cyanide plating solution
- paint
- xylene
- 1,1,1 trichloroethane
- Hi-sol 10 and Hi-sol 15 paint thinner
- Tectyl 121B (undercoating)

hydraulic oil
vacuum pump oil

Historical uses of the property may also be relevant. Prior to 1950, it is our understanding that a lumberyard was located along Fulgham Ave. in the east-west direction. Ms. Erma Dean Lewis, who was the city clerk for many years and today is a city alderman, stated that the Charles Plumber Lumber Co. operated along Fulgham Ave. until the early 1960's. It is our understanding that the lumberyard occupied the northwest corner of the Kuhlman property except for the eastern corner of the property adjacent to the residences. We understand that creosote was used in the lumberyard.

Prior to 1974, the area in the vicinity of the shipping/receiving area was occupied by a building supply operation, which was a part of the Plumber's business. Traditional chemicals sold at that time would have been present.

Aerial photographs exist at the Copleh County Courthouse from both 1950 and 1964 that show the structures on the property at those times. We have been unable to obtain copies of these photographs, although they are available for inspection.

Where are the chemicals stored?

Mineral oil is stored in aboveground tanks and in a storage shed in 55 gallon drums.

Mineral spirits is stored in an aboveground tank.

Waste paint and solvent are stored in a dedicated storage shed.

Raw xylene is stored in the maintenance shed.

Waste oil is stored in a dedicated storage shed.

Raw paint is stored inside the storage shed and/or the main factory.

Where were chemicals stored in years past?

Mineral oil was stored at one time in an aboveground tank at the southwest corner of the main factory and later in an aboveground tank near the southeast corner of the factory.

Raw paint and xylene have sometimes been stored outside in 55 gallon drums.

Mineral spirits has always been stored in an external tank.

Silver cyanide solution was stored in the materials crib, which was located in what is today the KEC shipping department.

It is our understanding that PCBs were used to fill some transformers from approximately 1954 until 1976. Until 1973, PCBs were supplied in 55 gallon drums. Drums of PCBs were stored in the area marked "LD" on Attachment 1 until 1960 and thereafter in the area marked "AS" on Attachment 1. In 1973, a 3,200 gallon tanker truck was purchased, and PCBs were obtained from East St. Louis using this truck. The tanker was parked at the east end of the building and PCBs were dispensed by hose into transformers.

How were chemicals disposed of in the past?

Waste paint and solvent were sent to Enterprise Recovery Systems.

PCB-containing capacitors were sent to Ensco, Inc.

PCB-containing dielectric fluid was sent to Jackson, Mississippi, for reclamation.

Plating solutions were disposed of through Ashland Chemical Co.

Waste oils and absorbent were sent to Ashland Chemical Co.

How are chemicals disposed of today?

KEC ships waste paint and solvent, non-hazardous oil and absorbent, non-hazardous transformer oil and absorbent, fluorescent lamp tubes and mercury vapor lamps to Ashland Chemical. KEC has also used American Resource Recovery Corp. for some shipments in recent years. Capacitors containing PCBs were shipped to Safety Kleen in 1998.

Paragraph A.2

Did KEC remanufacture transformers in past years? If so, how were transformer fluids handled and what time period was involved?

This would have occurred no more than 2-3 times per year from the time the facility opened in 1952. KEC has not remanufactured a transformer that contained PCBs in many years. In general, PCB-containing transformers would have been returned already drained of fluid. If they needed to be drained, this would have occurred at the loading dock next to the railroad tracks by draining into drums. These drums were then sealed and sent to a reclaiming operation in Jackson, Mississippi. The transformer was then taken to the far east end of the building where the top or "cover" was burned off using a

carbon arc. Any extra dielectric fluid would have been soaked up with sawdust, removed from the premises, and burned.

Does KEC remanufacture transformers today?

KEC has not remanufactured a transformer since 1997, although such activity could happen again. Since the early 1990s, KEC has only remanufactured transformers that KEC originally manufactured.

Paragraph A.3

Describe removal of soil at any time in the past.

During the most recent KEC facility expansion, KEC's construction contractor, Fountain Construction, contracted with Vaughan Construction to dig and transport soils from the KEC facility. Vaughan in turn deposited soils from the KEC facility at an area referred to as AKT Gravel without KEC's knowledge. (KEC learned today that John H. Moon Construction owns the actual property where soils were deposited.) When KEC learned that soils that were potentially contaminated were at AKT, it immediately sent First Environment to investigate. First Environment determined that some soil had been placed in a pit and that the owner had since placed clean fill over the top of the KEC soils. First Environment also located two KEC soil piles that were removed and remediated. Soils contained in the pit have not yet been addressed. Some employees also removed soil during the most recent facility expansion, and KEC believes all such removals have been accounted for and all soils and any residual contamination removed. The soils from these remedial activities remain on-site in roll-off containers.

The KEC facility and parking lots have been expanded several times. Each such expansion may have resulted in soils leaving the KEC site. With reference to Attachment 2, please note the dates of each of the building expansions and exterior concrete work done at the facility.

In addition, several construction projects were completed in the past few years as indicated on Attachment 3. The contractors who worked on construction projects at KEC are listed in Attachment 4

Paragraph A.4

Provide information about when plant improvements were made that would have affected surface water gradient.

Kelli Dowell
Craig Brown
November 16, 2000
Page 5

Projects that would have had an impact on runoff would be the two parking lot expansions in 1996 and 1999 respectively. We know of no projects that would have redirected the storm water runoff. KEC is aware of suggestions that the storm water has been redirected from the north of the building to the south. Examination of the property topographical map exhibits lower elevation to the south in the south parking lot and in the southeast quadrant of the property. Further evidence of stormwater runoff to the south is the presence of a storm water drain in the south parking lot adjacent to Lee Street.

Paragraph A.5

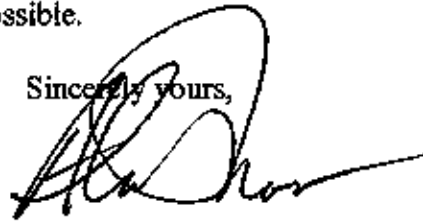
Describe investigation and remediation of contaminated soil removed from the site by KEC employees. Include lab results and sample locations.

The contractor that did the work, First Environment, will send this report directly to you for delivery on November 17.

* * * *

We hope the enclosed information is helpful. KEC looks forward to continuing to work with MDEQ to resolve this matter as quickly as possible.

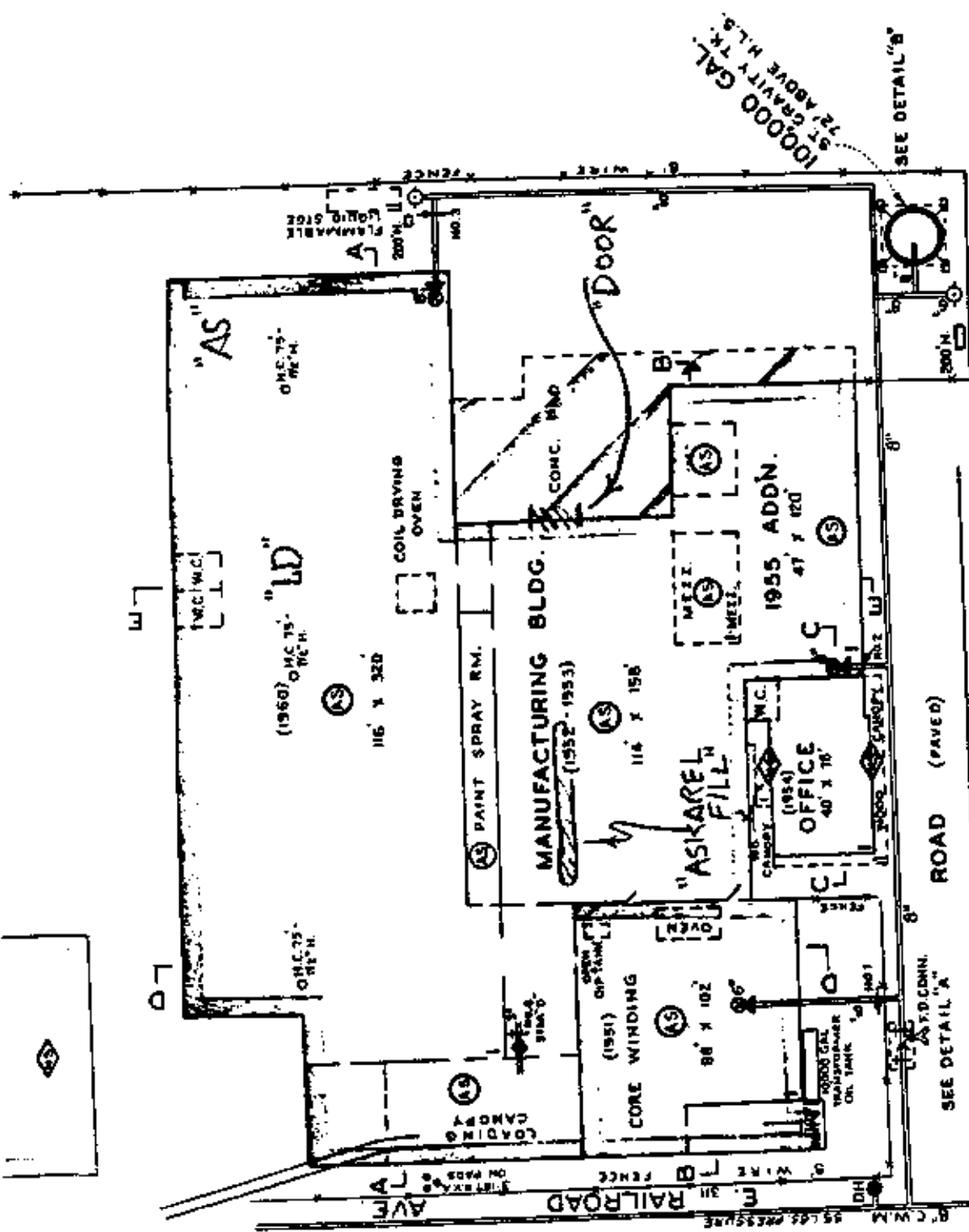
Sincerely yours,



Alan Thomas

Enclosures

cc: Paul Acheson, KEC
Tom Minnich, KEC
Bob Thompson, IT Corp.
Scott Schang, Latham & Watkins
Anastasia Hamel, BorgWarner
Tom Lupo, Seyfarth, Shaw

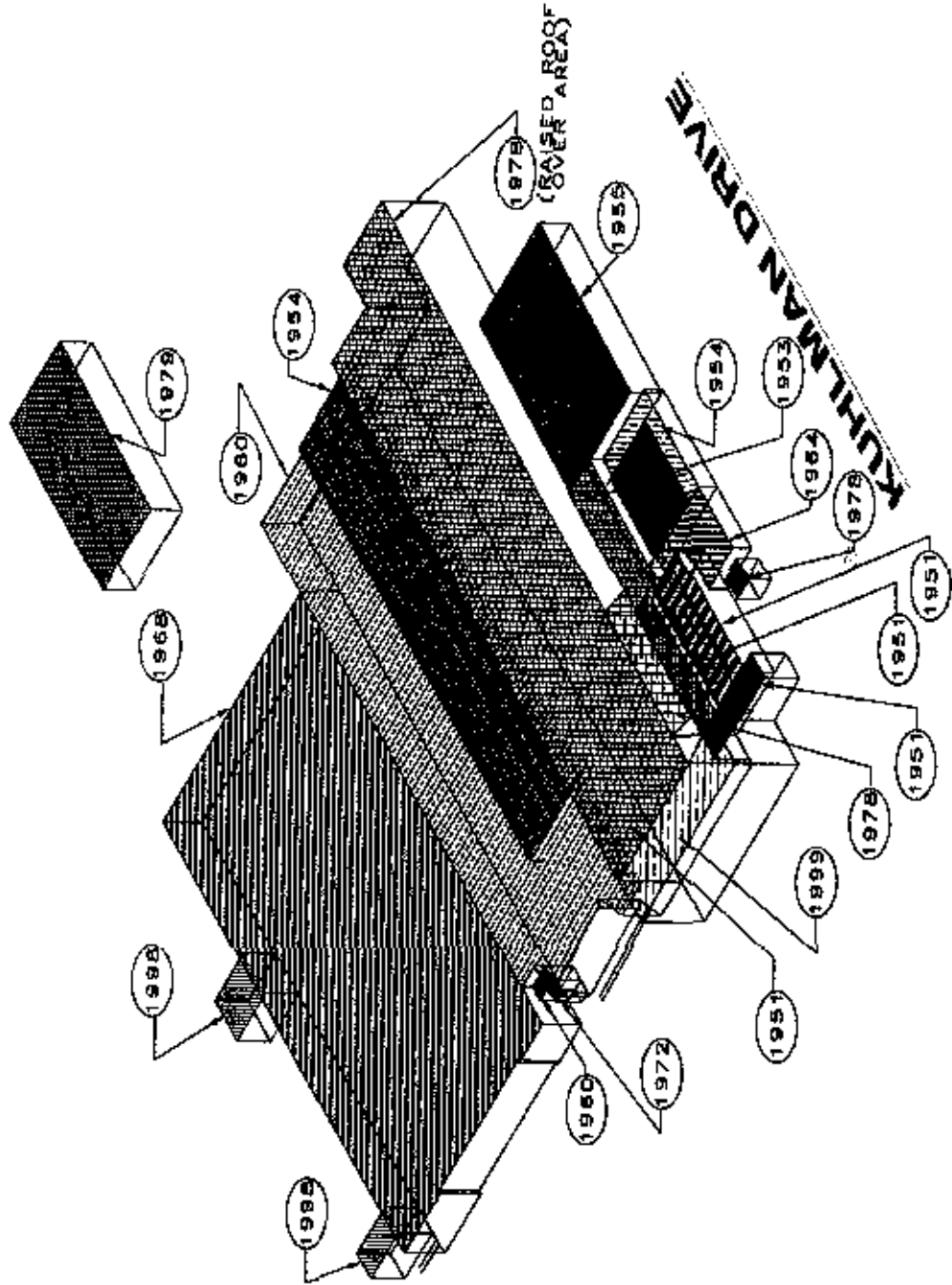


KUHLMAN ELECTRIC COMPANY CRYSTAL SPRINGS, MISSISSIPPI

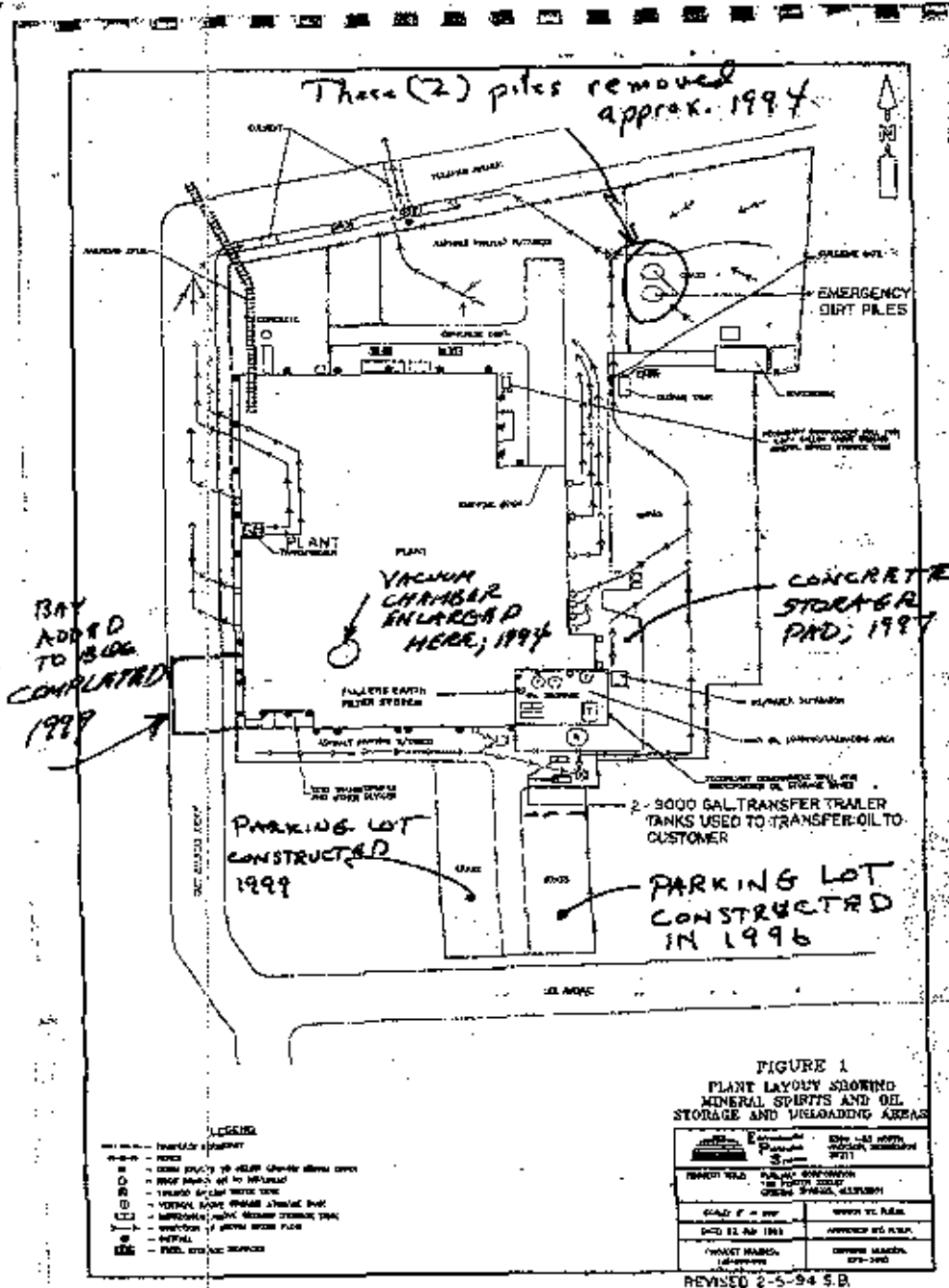
SCALE 1 INCH=50 FEET
 FACTORY INSURANCE ASSOCIATION
 WESTERN REGIONAL OFFICE
 CHICAGO, ILL.
 JULY 29TH, 1963

E-11409-W

Attachment 2



Attachment 3



Attachment 4

EXPANSION	LIST OF CONSTRUCTION PROJECTS KUHLMAN ELECTRIC; CRYSTAL SPRINGS, MS DESCRIPTION; ARCHITECT & /or CONTRACTOR	SQUARE FOOTAGE
1950	Initial construction; E.L. Malvaney, Architect	8000
1958	Office expansion; Designed by Malcolm D. Wetzel	525
1960	Case Employee Parking lot; drawn by M. Wetzel	
1960	Winding Room Expansion; Overstreet, Ware, Ware, & Lewis	20000
1964	Front Office Expansion; Overstreet, Ware, Ware and Lewis	1200
1965	328' of 1951 High Bay revised to 35 foot height and new footer poured; Overstreet, Ware, Ware & Lewis	13973
1968	Case Department ; Overstreet, Ware, Ware, & Lewis	51984
1972	Annealing Oven Area; (currently the IT Test; Department); Ware, Lewis, and Eaton,	3000
1978	40 Ton Crane Rail Extension East plus Case Dept Train Bay; Lewis-Eaton Partnership	various
1979	Construction of Maintenance Warehouse; (contractor unknown)	3200
1994	East Vacuum Chamber Expanded; Bullock Construction Co.	
1996	Parking lot addition; LM&R Construction	
1998	Case Spray Room Expansion; LM&R Construction	750
1999	West Assembly Bay Expansion; Montgomery Dodson/ Usry Architects; Harris Constructors	5000
1999	Renovation of Assembly Spray Booth; Usry Architects; Harris Constructors	750
1999	Parking lot expansion; LM&R Construction	
2000	Components Room Expansion; J. A. Moss Construction Co.	3000
2000	Ongoing Facility Expansion; Fountain Construction	25000

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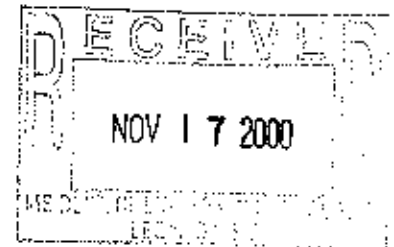
**KUHLMAN ELECTRIC
101 KUHLMAN DRIVE
CRYSTAL SPRINGS
MISSISSIPPI**

FINAL REPORT

**PREPARED BY:
Michael Caples, Esq.**

NOVEMBER 15, 2000

November 15, 2000



Al Thomas
Kuhlman Electric
101 Kuhlman Drive
Crystal Springs, MS 39059

Scott Schang
Latham & Watkins
1001 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Al and Scott,

Please find below a description of the work performed by First Environment, Inc. and its subcontractors in association with the discovery of polychlorinated biphenyls (PCBs) at the Kuhlman Electric plant in Crystal Springs, Mississippi. This report only deals with the decontamination of equipment and the removal of soil from off-site areas.

DECONTAMINATION OF EQUIPMENT

On May 3, 2000, Kuhlman Electric hired First Environment, Inc. to decontaminate earth-moving equipment contaminated during the expansion project. Through the entire month of May, additional items were discovered that needed decontaminating, a detailed list of all items decontaminated by First Environment can be found in Table 1.

Decontamination of the equipment followed the double wash/rinse procedures set forth in 40 C.F.R. 761 Subpart S. First, remove and capture the dry solids by mechanical force (i.e. the use of hammers and scrapers). Second, cover the entire surface with an industrial strength detergent and wash with a steam power washer. Third, capture the rinse water for further treatment. Fourth, repeat. Fifth, verify by confirmation sampling. Finally, remove the equipment from the plant site.

Initial decontamination of equipment began on May 11, 2000 and was completed on May 26, 2000. First Environment, Inc. decontaminated some 17 vehicles. In addition, some other items were cleaned for precautionary reasons, and these items were not included in the report. All confirmation samples taken for each of the 17 pieces of equipment came back as non-detectable. Therefore, no further action is required for the decontamination work.

OFF-SITE PROPERTY

During the equipment decontamination, First Environment learned that employees had removed soil and gravel from the plant location. Our investigation uncovered five off-site areas where potentially contaminated material had been removed from the plant location. They are listed below:

1. AKT gravel pit two soil piles on side of road.
2. Allean Meyers Property
3. J. C. Lomax Property
4. Caley Claiborne Property
5. Dwight Holiday Property

On May 16 and 17, 2000 First Environment conducted an emergency removal of *PCB contaminated material at five off-site locations*. The contaminated material remained in piles or areas that were easily identified by sight. Therefore, in order to expedite the emergency removal of material an extensive soil sampling program was not warranted. Instead, a buffer zone of one to three feet beyond the lateral and vertical extent of the contaminated soil was excavated for each location. *Confirmation samples were taken within and outside the excavated area to assure that all contaminated soil was removed from the property.* The removed soil was placed in water-tight containers and returned to the Kuhlman property where it awaits final disposal.

AKT GRAVEL PIT TWO SOIL PILES

On May 16, 2000, First Environment conducted an emergency removal action of two soil piles located at the AKT Gravel pit. The soil was removed from the Kuhlman property by Vaughan Construction and placed at the gravel pit. *Immediately upon discovering the soil piles, First Environment covered the piles with plastic to prevent any run off.* Because the piles remained in tact, they were easily removed with a backhoe front-end loader. A buffer zone around the piles of approximately two feet was excavated to assure the removal of all contaminated material. Samples taken after the removal confirmed that the remaining soil was below the action level of 1 ppm. See Exhibit #1 and Table #2 for sample location and results.

ALLEAN MEYERS PROPERTY

On May 16, 2000 First Environment conducted an emergency removal action of approximately a five-gallon bucket of soil removed from the Kuhlman property at Ms. Allean Meyers property. Meyers's son, an employee of Kuhlman removed a five gallon bucket of soil from the Kuhlman property and placed it in a hole near her house. The hole was clearly defined and the soil was removed with a shovel and placed into a container and returned to the Kuhlman property. The hole was backfilled with clean dirt and no confirmation samples were taken.

J. C. LOMAX PROPERTY

On May 16, 2000 First Environment conducted an emergency removal action of approximately seven cubic yards of soil removed from the Kuhlman property by Mr. Lomax. The soil was dumped in a pile in Mr. Lomax's pasture where it had remained undisturbed. Upon discovering the pile, First Environment covered the soil with plastic.

Excavation of the soil consisted of using a rubber-tire backhoe to remove the soil pile. In addition, a buffer zone of approximately two feet around and one foot below the pile was removed. Samples taken after the removal confirmed that the remaining soil was clear of any PCB material. See Exhibit #2 and Table #3 for sample location and results.

CALEY CLAIBORNE PROPERTY

On May 16, 2000 First Environment learned that a composite sample taken from the driveway of Caley Claiborne at 216 McPherson Drive showed the presence of 1644 ppm of PCB - Aroclor 1268. Upon notification of the test results, Kuhlman contacted the Mississippi Department of Environmental Quality, EPA superfund hotline and Region IV TSCA group of the potential release. First Environment proposed to Jerry Banks of MDEQ that an emergency removal action occur as soon as possible.

On May 17, 2000 First Environment conducted an emergency removal of PCB material at the Claiborne residence. Mr. Claiborne removed soil from the Kuhlman site to fill in a pothole in his driveway. Mr. Claiborne clearly identified the area where the soil was placed and one could clearly see the outline of the pothole. See Exhibit #3 for pothole location and sample location.

Excavation of the area involved using a rubber-tire backhoe to remove the soil within the pothole. In addition, a buffer zone of approximately 3 to 5 feet was created around the pothole and approximately 1 to 1.5 feet below the pothole was excavated. The soil was removed from the property and stored at the Kuhlman plant site awaiting final disposal. Samples collected after the removal confirmed that the remaining soil contained no PCB material. See Exhibit # 4 and Table #4 for sample location and results. The area was backfilled with clean dirt and the driveway was paved with asphalt.

DWIGHT HOILDAY PROPERTY AND RESIDENCE

On May 17, 2000 First Environment conducted an emergency removal of PCB material at the Holiday residence. Mr. Holiday removed soil from the Kuhlman plant site to fill in two holes in his backyard, (pool and garden). Samples taken before excavation detected the presence of PCB at 183 ppm and 1.9 ppm respectfully. See Exhibit #6

Excavation was conducted with hand shovels and a front-end loader bobcat. The removed material was placed in a container and returned to the Kuhlman property. Both areas were clearly defined by the fresh dirt and lack of grass. *Therefore, a buffer zone of approximately two feet outside the dirt area and one foot below the area was removed.* Samples taken after the removal confirmed that the remaining soil was below 0.1 ppm of PCB. See Exhibit #5 and Table #5 for sample location and test results.

On May 18, 2000 First Environment learned that Mr. Holiday had washed his truck used to haul the contaminated soil out in his front yard. Samples from the front yard showed no presence of PCB material and no further action was taken. In addition, Mr. Holiday became concern of possible contamination within his house due to the presence of the soil in the backyard. Wipe samples from the floor and carpet inside the house showed no detection of PCB material. See Exhibit #6 for sample location.

To date, First Environment, has cleanup some 17 vehicles and 5 off-site areas. All confirmation samples have been below action limits. Therefore, no further action remains.

If you have any questions, please do not hesitate to contact me at 957-8967.

Sincerely,

FIRST ENVIRONMENT, INC.



Michael Caples, Esq.
Regional Office Manager

MC/vg
Enclosure

cc: U.S. Environment Protection Agency
Mississippi Department of Environmental Quality

TABLE 1
Equipment Decon List
Kuhlman Electric Project

Equipment	Results of Confirmation Samples
Mack Truck owned by Mohammed Talie	ND
Mack Truck owned by Perry Wilson	ND
Ford Truck owned by Willie Wilcher	ND
Mack Truck #16 owned by Vaughan Construction	ND
Mack Truck #5 owned by Vaughan Construction	ND
Ford Pickup owned by Caley Claiborne	ND
Chevy Truck owned by Dwight Holiday	ND
Ford Truck owned by J.C. Lomax	ND
Kubota Backhoe BT 900 owned by HY-Teck Sprinkler	ND
Ford Trencher C-3663-6 owned by Ritter Electric	ND
John Deere 310D backhoe owned by Ritter Electric	ND
Air Compressor ACXAS90JD owned by Ritter Electric	ND
John Deere 310D backhoe owned by Fountain Construction	ND
White Dump Truck owned by Ritter Electric	ND
Komatsu Track Hoe owned by Vaughan Construction	ND
Bulldozer owned by Vaughan Construction	ND
Bulldozer owned by AKT gravel	ND

Project Name Kuhlman
Location AKT Gravel Co.
Subject Remediation Area + Sample Locations

Project No. KUHLM.001
Page 1 of 1
By DM Date 5/17/00
Ck _____ Date _____

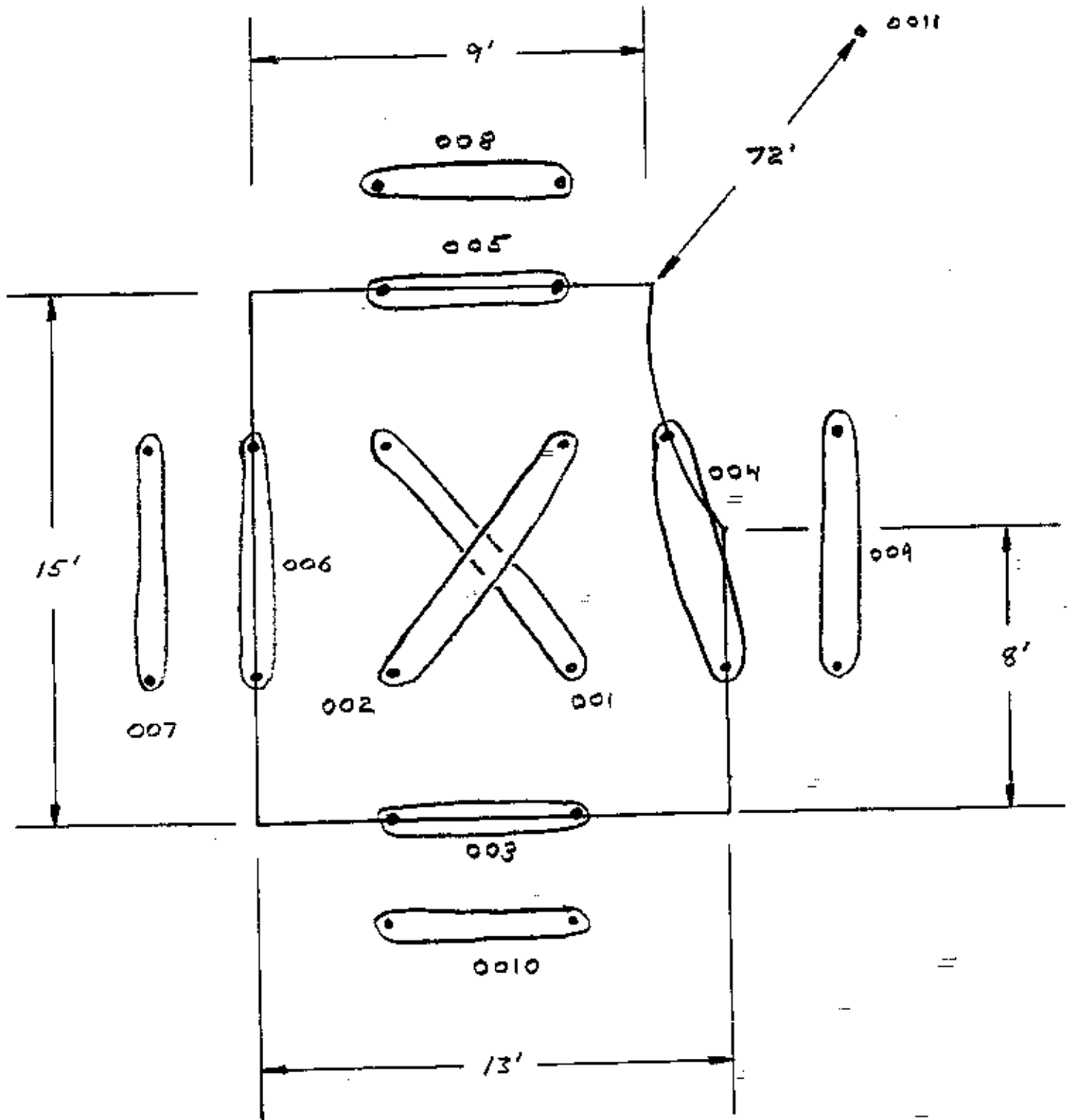


Exhibit #1

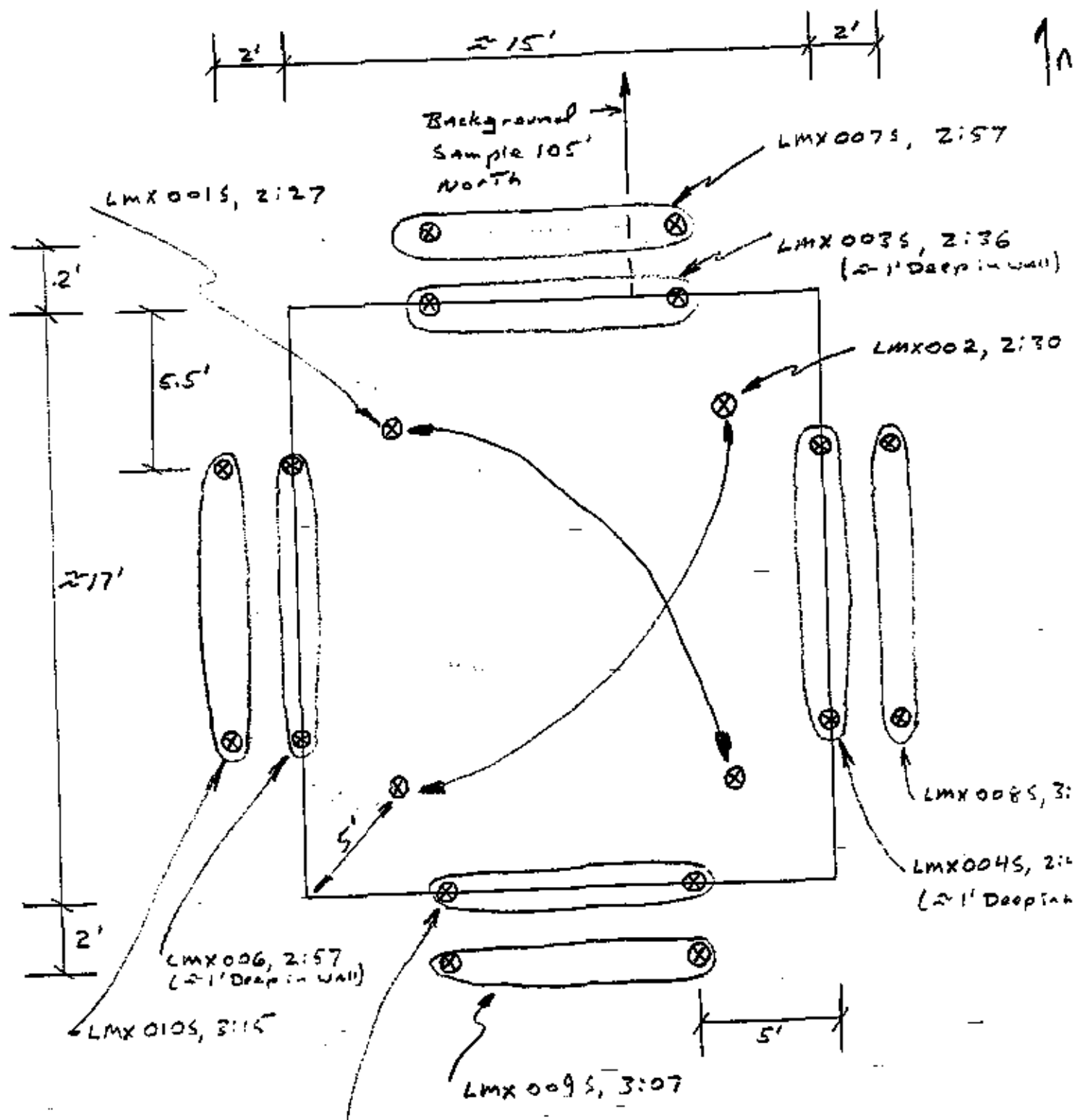
FIRST ENVIRONMENT

TABLE # 2
CONFIRMATION SAMPLES AKT GRAVEL PIT

SAMPLE NUMBER	SAMPLE LOCATION	RESULTS in ppm
gp-001s	gravel pit – SE & NW pit	0.8
gp-002s	gravel pit – SW & NE pit	0.6
gp-003s	gravel pit – North pit	0.3
gp-004s	gravel pit – West pit	0.4
gp-005s	gravel pit – South pit	<0.1
gp-006s	gravel pit – East pit	<0.1
gp-007s	gravel pit – East wall 2' out	<0.1
gp-008s	gravel pit – South wall 2' out	<0.1
gp-009s	gravel pit – West wall 2' out	<0.1
gp-010s	gravel pit – North wall 2' out	<0.1
gp-011s	Background 72' SW	<0.1

Project Name Kuhmas Soil
 Location Lomax House
 Subject Post Soil Removal Soil Samples

Project No. KUHIM.001
 Page _____ of _____
 By JM Date 5/16/00
 Ck _____ Date _____



Note: samples LMX 1-10 were collected on 5/16/00
 LMX 011 was collected on 5/17/00

Scale
 0 5 10
 AVE. pit Depth = 2'
FIRST ENVIRONMENT

TABLE #3
CONFIRMATION SAMPLES LOMAX PROPERTY

SAMPLE NUMBER	SAMPLE LOCATION	RESULTS in ppm
Lmx-001s	NW & SE pit	<0.1
Lmx-002s	NE & SW pit	<0.1
Lmx-003s	North wall	<0.1
Lmx-004s	East wall	<0.1
Lmx-005s	South wall	<0.1
Lmx-006s	West wall	<0.1
Lmx-007s	North wall 2' out	<0.1
Lmx-008s	East wall 2' out	<0.1
Lmx-009s	South wall 2' out	<0.1
Lmx-010s	West wall 2' out	<0.1
Lmx-011s	Background	<0.1

Project Name Kuhlman
Location Claiborne House
Subject Fill Area And Sample Location

Project No. KUHLM.001
Page _____ of _____
By JM Date 5/17/90
Ck _____ Date _____

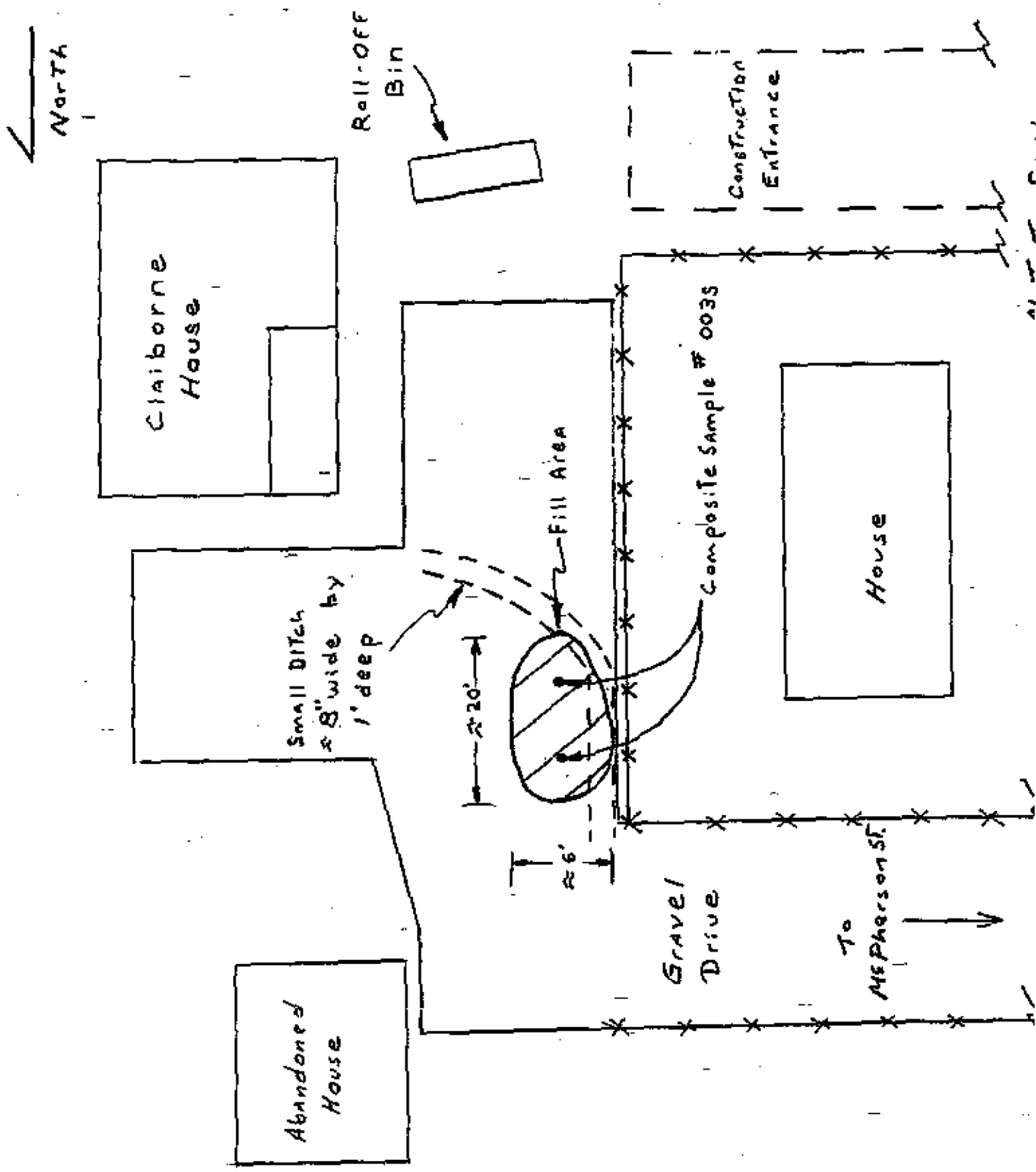


Exhibit #3

TABLE # 4
CONFIRMATION SAMPLES CLAIBORN PROPERTY

SAMPLE NUMBER	SAMPLE LOCATION	RESULTS in ppm
Claiborn -1	North East Corner	<0.1
Claiborn -2	East Wall	<0.1
Claiborn -3	South East Corner	<0.1
Claiborn -4	North Wall 2' out	<0.1
Claiborn -5	South Wall 2' out	<0.1
Claiborn -6	North Center	<0.1
Claiborn -7	South Center	<0.1
Claiborn -8	North West Corner	<0.1
Claiborn -9	West Wall	<0.1
Claiborn -10	South West Corner	<0.1
Claiborn -11	North West Wall 2' out	<0.1
Claiborn -12	West Wall 2' out	<0.1

Project Name Kulman

Project No. KUHLM.001

Location Claiborne House

Page _____ of _____

Subject Remediation Area

By JM Date 5/17/00

Ck _____ Date _____

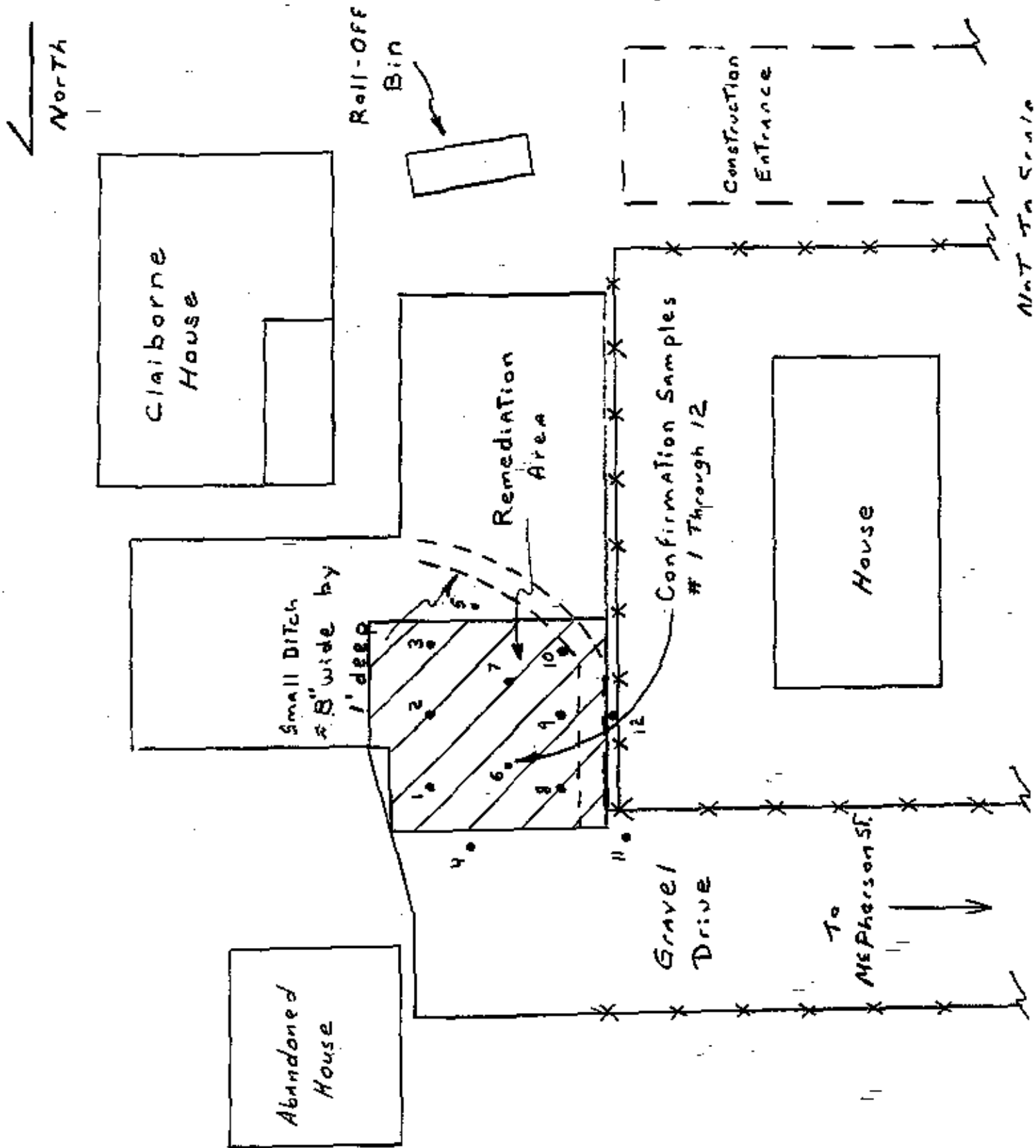


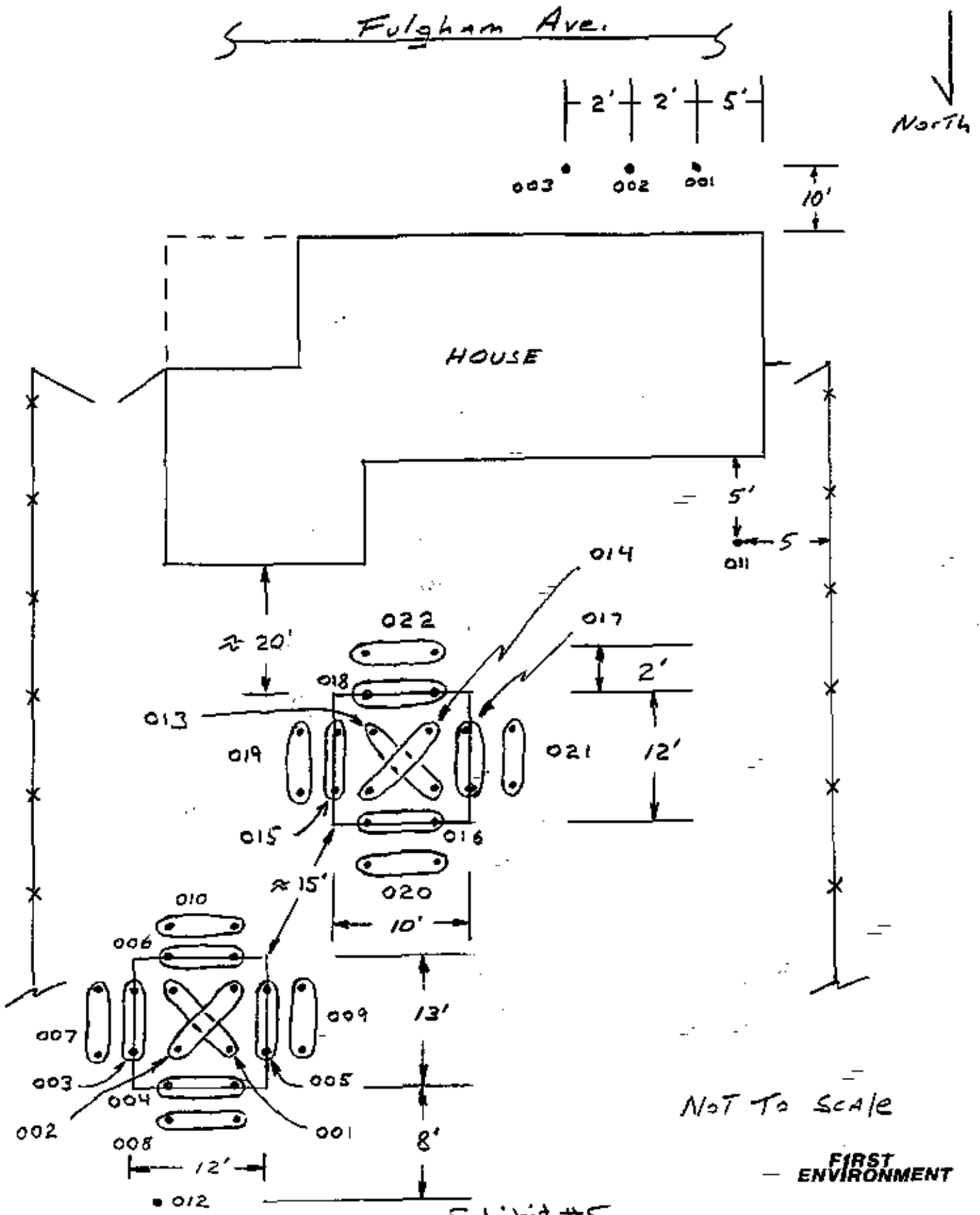
Exhibit #4

TABLE # 5
CONFIRMATION RESULTS HOLIDAY RESIDENCE

Sample Number	Sample Location	Result in ppm
2ful001s	Garden - SE & NE Corners	<0.1
2ful002s	Garden - SW & NE Corners	<0.1
2ful003s	Garden- East Wall	<0.1
2ful004s	Garden- North Wall	<0.1
2ful005s	Garden- West Wall	<0.1
2ful006s	Garden- South Wall	<0.1
2ful007s	Garden- East Wall 2' out	<0.1
2ful008s	Garden- North Wall 2' out	<0.1
2ful009s	Garden- West Wall 2' out	<0.1
2ful010s	Garden- South Wall 2' out	<0.1
2ful011s	Background	<0.1
2ful012s	Strip NE of Garden	<0.1
2ful013s	Pool - SE & NW Corners	<0.1
2ful014s	Pool - SW & NE Corners	<0.1
2ful015s	Pool - East Wall	<0.1
2ful016s	Pool - North Wall	<0.1
2ful017s	Pool - West Wall	<0.1
2ful018s	Pool - South Wall	<0.1
2ful019s	Pool - East Wall 2' out	<0.1
2ful020s	Pool - North Wall 2' out	<0.1
2ful021s	Pool - West Wall 2' out	<0.1
2ful022s	Pool - South Wall 2' out	<0.1

Project Name Kuhlman Soil
 Location Dwight Holiday House
 Subject Remediation Area and Sample Locations
303 Fulgham Ave

Project No. KUALM.001
 Page _____ of _____
 By _____ Date _____
 Ck _____ Date _____



NOT TO SCALE

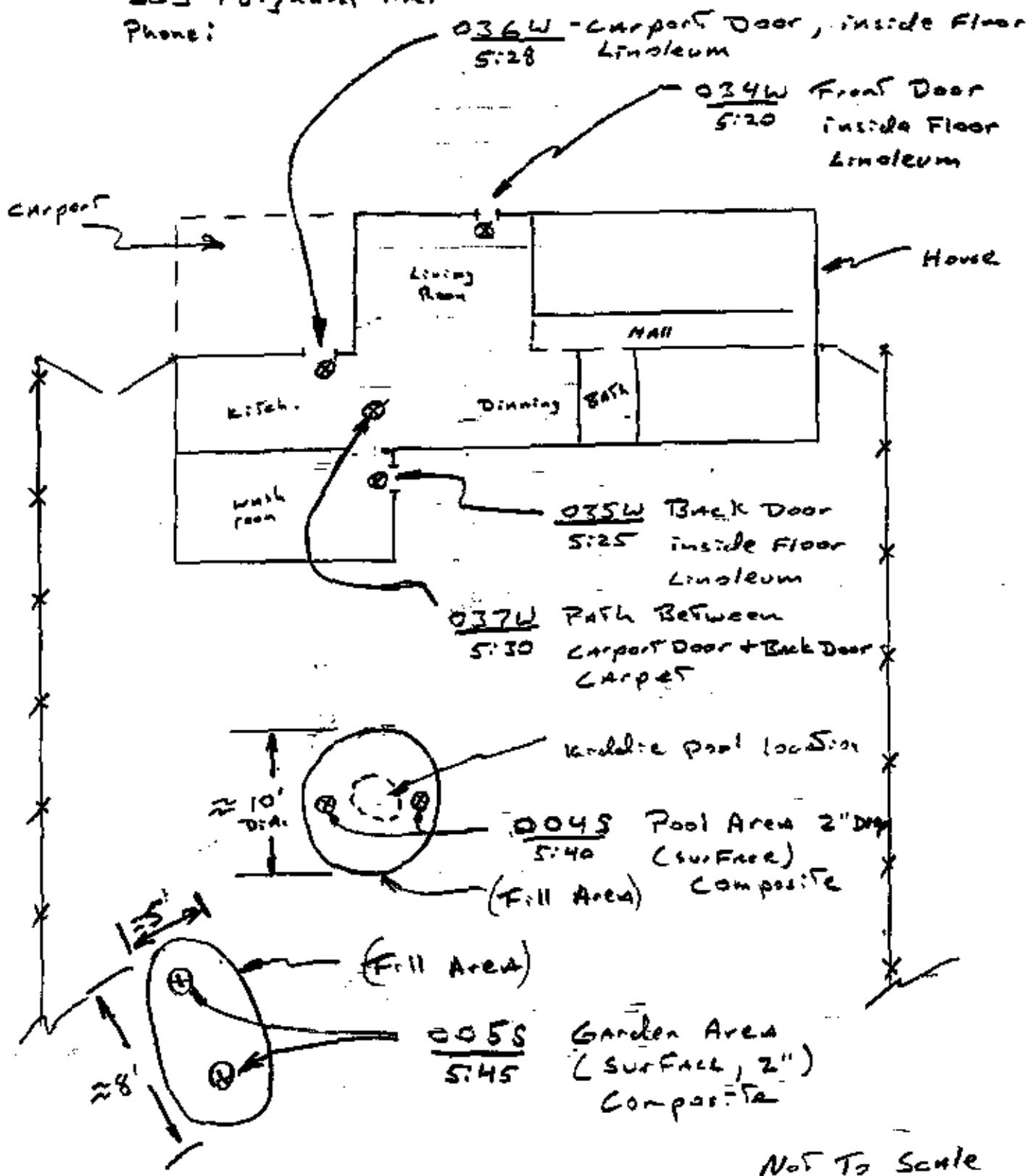
FIRST ENVIRONMENT

Exhibit #5

Project Name Kuhlman
 Location Crysil Springs, MS
 Subject Dwight Holiday House
 5:22 - 5:45

Project No. ML 171,001
 Page 1 of 1
 By JM Date 5/11/00
 Ck _____ Date _____

owner: Dwight Holiday
 303 Fulgham Ave.
 Phone:



Not To Scale
FIRST ENVIRONMENT

Exhibit #6

LAB RESULTS OF ALL TESTING

Attached is a listing of all laboratory results including Wipe samples.

Date	Sample ID	Lab ID #	Matrix	Location	Conc, ppm
5/11/2000	034w	48663	wipe	303 fulghan-front door floor-inside	ND
5/11/2000	035w	48664	wipe	303 fulghan back door floor inside	ND
5/11/2000	036w	48665	wipe	303 fulghan carport door floor inside	ND
5/11/2000	037w	48666	wipe	303 fulghan path between back & carport door	ND
5/11/2000	038w	48667	wipe	pick up truck-tag # sy9258-front center bed	ND
5/11/2000	039w	48668	wipe	pick up truck-tag # sy9258-rear center bed	ND
5/11/2000	040w	48669	wipe	pick up truck-tag#sy9258-tailgate handle	ND
5/11/2000	041w	48670	wipe	pick up truck-tag#sy9258-driver side door handle	ND
5/11/2000	042w	48671	wipe	pick up truck-tag#sy9258-passenger side door handle	ND
5/11/2000	043w	48672	wipe	pick up truck-tag#sy9258-steering wheel	ND
5/11/2000	044w	48673	wipe	pick up truck-tag#sy9258-gear shift knob and turn signal	ND
5/11/2000	045w	48674	wipe	pick up truck-tag#sy9258-driver side arm rest	ND
5/11/2000	046w	48675	wipe	pick up truck-tag#sy9258-gas and clutch pedal	ND
5/11/2000	047w	48676	wipe	pick up truck-tag#sy9258-floor board driver side	ND
5/11/2000	048w	48677	wipe	pick up truck-tag#sy9258-floor mat driver side	ND
5/11/2000	023w	48678	wipe	pick up truck-tag#sy7716-rear center of bed	ND
5/11/2000	024w	48679	wipe	pick up truck-tag#sy7716-front center of bed	ND
5/11/2000	025w	48680	wipe	pick up truck-tag#sy7716-tool box rear side	ND
5/11/2000	026w	48681	wipe	pick up truck-tag#sy7716-tail gate handle	ND
5/11/2000	027w	48682	wipe	pick up truck-tag#sy7716-driver side arm rest	ND
5/11/2000	028w	48683	wipe	pick up truck-tag#sy7716-driver side door handle	ND
5/11/2000	029w	48684	wipe	pick up truck-tag#sy7716-brake & gas pedal	ND
5/11/2000	030w	48685	wipe	pick up truck-tag#sy7716-steering wheel	ND
5/11/2000	031w	48686	wipe	pick up truck-tag#sy7716-gear shift & blinker	ND
5/11/2000	032w	48687	wipe	pick up truck-tag#sy7716-driver side floor board	ND
5/11/2000	033w	48688	wipe	pick up truck-tag#sy7716-passenger side door handle	ND
5/11/2000	001s	48689	soil	pick up bed -tag sy7716	583
5/11/2000	002s	48690	soil	pickup bed tag sy9258	ND
5/11/2000	003s	48691	soil	216 McPherson -Driveway	1644
5/11/2000	004s	48692	soil	303 Fulghan-Pool area	183
5/11/2000	005s	48693	soil	303 Fulghan - garden area	1.9
5/11/2000	001w	48840	wipe	213 Powell St.-corner bookshelf-left side	ND
5/11/2000	002w	48841	wipe	213 Powell St.-corner bookshelf-right side	ND
5/11/2000	003w	48842	wipe	213 Powell St.-corner bookshelf-bottom	ND

5/11/2000	005w	48844	wipe	213 Powell St.-book shelf right side	ND
5/11/2000	006w	48845	wipe	213 Powell St.-book shelf bottom	ND
5/11/2000	007w	48846	wipe	213 Powell St.-bookshelf back	ND
5/11/2000	008w	48847	wipe	213 Powell St.-bookshelf - shelf	ND
5/11/2000	009w	48848	wipe	213 Powell St.-corner bookshelf -shelf	ND
5/11/2000	010w	48849	wipe	213 Powell St.-desk hutch-bottom	ND
5/11/2000	011w	48850	wipe	213 Powell St.-desk hutch-left side	ND
5/11/2000	012w	48851	wipe	213 Powell St.-desk hutch-right side	ND
5/11/2000	013w	48852	wipe	213 Powell St.-desk hutch-shelf	ND
5/11/2000	014w	48853	wipe	213 Powell St.-desk hutch-back	ND
5/11/2000	015w	48854	wipe	213 Powell St.-desk stool-top	ND
5/11/2000	016w	48855	wipe	213 Powell St.-desk stool- bptom legs	ND
5/11/2000	017w	48856	wipe	213 Powell St.-desk stool- side	ND
5/11/2000	018w	48857	wipe	213 Powell St.-desk top	ND
5/11/2000	019w	48858	wipe	213 Powell St.-desk left side	ND
5/11/2000	020w	48859	wipe	213 Powell St.-desk right side	ND
5/11/2000	021w	48860	wipe	213 Powell St.-desk bottom	ND
5/11/2000	022w	48861	wipe	213 Powell St.-desk front	ND
5/11/2000	ful303-001	48697	soil	front yard wash area -fulghan 303	4.49
5/12/2000	27-001	48826	wipe	dump truck #27 tag # a15158-gas & brake pedal	ND
5/12/2000	27-002	48827	wipe	dump truck #27 tag # a15158-gear shift & turn signal	ND
5/12/2000	27-003	48828	wipe	dump truck #27 tag # a15158-steering wheel	ND
5/12/2000	27-004	48829	wipe	dump truck #27 tag # a15158-driver side floor board	ND
5/12/2000	27-005	48830	wipe	dump truck #27 tag # a15158-passenger side door handle	ND
5/12/2000	27-006	48831	wipe	dump truck #27 tag # a15158-front center of bed	ND
5/12/2000	27-007	48832	wipe	dump truck #27 tag # a15158-passenger side inner bed wall	ND
5/12/2000	27-008	48833	wipe	dump truck #27 tag # a15158-rear center of bed	ND
5/12/2000	27-009	48834	wipe	dump truck #27 tag # a15158-passenger side inner tailgate	ND
5/12/2000	27-010	48835	wipe	dump truck #27 tag # a15158-bed lip	ND
5/12/2000	27-011	48836	wipe	dump truck #27 tag # a15158-driver side inner tailgate	ND
5/12/2000	27-012	48837	wipe	dump truck #27 tag # a15158-driver side inner bed wall	ND
5/12/2000	27-013	48838	wipe	dump truck #27 tag # a15158-driver side inner door handle	ND
5/12/2000	27-014	48839	wipe	dump truck #27 tag # a15158-driver side door handle	ND
5/13/2000	56-001	48862	wipe	dump truck#56 steering wheel	ND
5/13/2000	56-002	48863	wipe	dump truck#56 gas & brake pedal	ND
5/13/2000	56-003	48864	wipe	dump truck#56 turn signal & gear shift	ND
5/13/2000	56-004	48865	wipe	dump truck#56 driver side door handle	ND

5/13/2000	56-006	48867	wipe	dump truck#56 passenger side bed wall	ND
5/13/2000	56-007	48868	wipe	dump truck#56 rear center of bed	ND
5/13/2000	56-008	48869	wipe	dump truck#56 duplicate	ND
5/13/2000	56-009	48870	wipe	dump truck#56 bed lip	ND
5/13/2000	56-010	48871	wipe	dump truck#56 passenger side inner tail gate	ND
5/13/2000	56-011	48872	wipe	dump truck#56 driver side inner tail gate	ND
5/13/2000	56-012	48873	wipe	dump truck#56 driver side bed wall	ND
5/13/2000	56-013	48874	wipe	dump truck#56 driver side inner door handle	ND
5/13/2000	56-014	48875	wipe	dump truck#56 passenger side door handle	ND
5/13/2000	56-015	48876	wipe	dump truck#56 driver side floor board	ND
5/13/2000	56-016	48877	wipe	dump truck#56 driver side bed mat	ND
5/13/2000	56-017	48878	wipe	dump truck#56 passenger side bed mat	ND
5/13/2000	lmx-001	48879	wipe	lomax dump truck-tag# f16-536-brake & gas pedal	ND
5/13/2000	lmx-002	48880	wipe	lomax dump truck-tag# f16-536-turn signal & gear shift	ND
5/13/2000	lmx-003	48881	wipe	lomax dump truck-tag# f16-536-steering wheel	ND
5/13/2000	lmx-004	48882	wipe	lomax dump truck-tag# f16-536-passenger side door handle	ND
5/13/2000	lmx-005	48883	wipe	lomax dump truck-tag# f16-536-front center of bed	ND
5/13/2000	lmx-006	48884	wipe	lomax dump truck-tag# f16-536-passenger side bedwall	ND
5/13/2000	lmx-007	48885	wipe	lomax dump truck-tag# f16-536-rear center of wall	ND
5/13/2000	lmx-008	48886	wipe	lomax dump truck-tag# f16-536-duplicate	ND
5/13/2000	lmx-009	48887	wipe	lomax dump truck-tag# f16-536-bed lip	ND
5/13/2000	lmx-010	48888	wipe	lomax dump truck-tag# f16-536-passenger side inner tail gate	ND
5/13/2000	lmx-011	48889	wipe	lomax dump truck-tag# f16-536-driver side inner tailgate	ND
5/13/2000	lmx-012	48890	wipe	lomax dump truck-tag# f16-536-driver side bed wall	ND
5/13/2000	lmx-013	48891	wipe	lomax dump truck-tag# f16-536-driver side inner door handle	ND
5/13/2000	lmx-014	48892	wipe	lomax dump truck-tag# f16-536-driver side door handle	ND
5/13/2000	lmx-015	48893	wipe	lomax dump truck-tag# f16-536-driver side floor board	ND
5/13/2000	lmx-016	48894	wipe	lomax dump truck-tag# f16-536-passenger side bed rail	ND
5/13/2000	lmx-017	48895	wipe	lomax dump truck-tag# f16-536-driver side bed rail	ND
5/13/2000	684-001	48896	wipe	dump truck#684-brake & gas pedal	ND
5/13/2000	684-002	48897	wipe	dump truck#684-turn signal & gear shift	ND
5/13/2000	684-003	48898	wipe	dump truck#684-driver side floor board	ND
5/13/2000	684-004	48899	wipe	dump truck#684-steering wheel	ND
5/13/2000	684-005	48900	wipe	dump truck#684-passenger side door handle	ND
5/13/2000	684-006	48901	wipe	dump truck#684-front center of bed	ND
5/13/2000	684-007	48902	wipe	dump truck#684-passenger side bed wall	ND
5/13/2000	684-008	48903	wipe	dump truck#684-passenger side bed rail	ND
5/13/2000	684-009	48904	wipe	dump truck#684-rear center of bed	ND

5/13/2000	684-010	48905	wipe	dump truck#684-duplicate	ND
5/13/2000	684-011	48906	wipe	dump truck#684-passenger side inner tail gate	ND
5/13/2000	684-012	48907	wipe	dump truck#684-bed lip	ND
5/13/2000	684-013	48908	wipe	dump truck#684-driver side inner tail gate	ND
5/13/2000	684-014	48909.1	wipe	dump truck#684-driver side bed rail	ND
5/13/2000	684-015	48910.1	wipe	dump truck#684-driver side bed wall	ND
5/13/2000	684-016	48911.1	wipe	dump truck#684-Driver side inner door handles	ND
5/13/2000	684-017	48912.1	wipe	dump truck#684-driver side door handles	ND
5/13/2000	874-001	49042	wipe	dump truck#874-gas & brake pedal	ND
5/13/2000	874-002	49043	wipe	dump truck#874-gear shift & turn signal	ND
5/13/2000	874-003	49044	wipe	dump truck#874-driver side floor board	ND
5/13/2000	874-004	49045	wipe	dump truck#874-steering wheel	ND
5/13/2000	874-005	49046	wipe	dump truck#874-passenger side door handle	ND
5/13/2000	874-006	49047	wipe	dump truck#874-front center of bed	ND
5/13/2000	874-007	49048	wipe	dump truck#874-passenger side bed wall	ND
5/13/2000	874-008	49049	wipe	dump truck#874-read center of bed	ND
5/13/2000	874-009	49050	wipe	dump truck#874-duplicate	ND
5/13/2000	874-010	49051	wipe	dump truck#874-passenger side inner tail gate	ND
5/13/2000	874-011	49052	wipe	dump truck#874-bed lip	ND
5/13/2000	874-012	49053	wipe	dump truck#874-driver side inner tailgate	ND
5/13/2000	874-013	49054	wipe	dump truck#874-driver side bed wall	ND
5/13/2000	874-014	49055	wipe	dump truck#874-driver side inner door handle	ND
5/13/2000	874-015	49056	wipe	dump truck#874-driver side door handle	ND
5/13/2000	874-016	49057	wipe	dump truck#874-passenger side bed rail	ND
5/13/2000	874-017	49058	wipe	dump truck#874-driver side bed rail	ND
5/17/2000	2ful001s	49059	soil	303 fulghan garden- se & nw corners	<0.1
5/17/2000	2ful002s	49060	soil	303 fulghan garden sw&ne corners	<0.1
5/17/2000	2ful003s	49061	soil	303 fulghan garden-east wall	<0.1
5/17/2000	2ful004s	49062	soil	303 fulghan garden-north wall	<0.1
5/17/2000	2ful005s	49063	soil	303 fulghan garden-west wall	<0.1
5/17/2000	2ful006s	49064	soil	303 fulghan-garden-south wall	<0.1
5/17/2000	2ful007s	49065	soil	303 fulghan-garden east wall 2' out	<0.1
5/17/2000	2ful008s	49066	soil	303 fulghan-garden north wall 2' out	<0.1
5/17/2000	2ful009s	49067	soil	303 fulghan-garden west wall 2' out	<0.1
5/17/2000	2ful010s	49068	soil	303 fulghan-garden south wall 2' out	<0.1
5/17/2000	2ful011s	49069	soil	303 fulghan-background	<0.1
5/17/2000	2ful012s	49070	soil	303 fulghan-strip ne of garden	<0.1
5/17/2000	2ful013s	49071	soil	303 fulghan-pool se & nw corners	<0.1

5/17/2000	2ful014s	49072	soil	303 fulghan-pool sw & ne corners	<0.1
5/17/2000	2ful015s	49073	soil	303 fulghan-pool-east wall	<0.1
5/17/2000	lmx-001s	49074	soil	nw & se pit	<0.1
5/17/2000	lmx-002s	49075	soil	ne & sw pit	<0.1
5/17/2000	lmx-003s	49076	soil	North wall	<0.1
5/17/2000	lmx-004s	49077	soil	East Wall	<0.1
5/17/2000	lmx-005s	49078	soil	South Wall	<0.1
5/17/2000	lmx-006s	49079	soil	West Wall	<0.1
5/17/2000	lmx-007s	49080	soil	Northwall 2ft Out	<0.1
5/17/2000	lmx-008s	49081	soil	East Wall 2 ft Out	<0.1
5/17/2000	lmx-009s	49082	soil	South Wall 2 ft. Out	<0.1
5/17/2000	lmx-010s	49083	soil	West Wall 2 ft. Out	<0.1
5/17/2000	lmx-011s	49084	soil	Back Ground	0.8
5/17/2000	gp-001s	49090	soil	Gravel Pit- SE & NW pit	0.6
5/17/2000	gp-002s	49091	soil	Gravel Pit- SW & NE pit	0.3
5/17/2000	gp-003s	49092	soil	Gravel Pit- NORTH pit	0.4
5/17/2000	gp-004s	49093	soil	Gravel Pit- WEST pit	<0.1
5/17/2000	gp-005s	49094	soil	Gravel Pit- SOUTH pit	<0.1
5/17/2000	gp-006s	49095	soil	Gravel Pit- EAST pit	<0.1
5/17/2000	gp-007s	49096	soil	Gravel Pit- EAST WALL 2 FT. OUT	<0.1
5/17/2000	gp-008s	49097	soil	Gravel Pit- SOUTH WALL 2 FT. OUT	<0.1
5/17/2000	gp-009s	49098	soil	Gravel Pit- WEST WALL 2 FT. OUT	<0.1
5/17/2000	gp-0010s	49099	soil	Gravel Pit- NORTH WALL 2 FT. OUT	<0.1
5/17/2000	gp-0011s	49100	soil	BACKGROUND 72' SW	<0.1
5/17/2000	2ful016s	49101	soil	303 fulghan-pool north wall	<0.1
5/17/2000	2ful017s	49102	soil	303 fulghan-pool west wall	<0.1
5/17/2000	2ful018s	49103	soil	303 fulghan-pool south wall	<0.1
5/17/2000	2ful019s	49104	soil	303 fulghan-pool east wall 2' out	<0.1
5/17/2000	2ful020s	49105	soil	303 fulghan-pool north wall 2' out	<0.1
5/17/2000	2ful021s	49106	soil	303 fulghan-pool west wall 2' out	<0.1
5/17/2000	2ful022s	49107	soil	303 fulghan-pool south wall 2' out	<0.1
5/17/2000	156-001	49085	wipe	Mr. Prine Pickup tag S22V\$6-front center of bed	ND
5/17/2000	156-002	49086	wipe	Mr. Prine Pickup tag S22V\$6-passenger side wall	ND
5/17/2000	156-003	49087	wipe	Mr. Prine Pickup tag S22V\$6-rear center of bed	ND
5/17/2000	156-004	49088	wipe	Mr. Prine Pickup tag S22V\$6-tail gate center	ND
5/17/2000	156-005	49089	wipe	Mr. Prine Pickup tag S22V\$6-driver side wall	ND
5/17/2000	vau-001	49108	wipe	AC-001 compressor-front	ND
5/17/2000				AC-001 compressor-left side of compressor	ND

5/19/2000	vau-003	49110	wipe	AC-001 compressor-rear	ND
5/19/2000	vau-004	49111	wipe	AC-001 compressor-right fender	ND
5/19/2000	vau-005	49112	wipe	AC-001 compressor-tool box	ND
5/19/2000	vau-006	49113	wipe	Tractor TH001-left side of trench hoe	ND
5/19/2000	vau-007	49114	wipe	Tractor TH001-right side of trench hoe	ND
5/19/2000	vau-008	49115	wipe	Tractor TH001-steering wheel	ND
5/19/2000	vau-009	49116	wipe	Tractor TH001-left fender	ND
5/19/2000	vau-010	49117	wipe	Tractor TH001-break & gas pedal	ND
5/19/2000	vau-011	49118	wipe	Tractor TH001-left side of front grader	ND
5/23/2000	front yard 1	49119	wipe	303 fulghan-front yard 1	<0.1
5/23/2000	front yard 2	49120	wipe	303 fulghan-front yard 2	<0.1
5/23/2000	front yard 3	49121	wipe	303 fulghan-front yard 3	<0.1
5/18/2000	Claiborn-1	49122	soil	Claiborn Res-Driveway	<0.1
5/18/2000	Claiborn-2	49123	soil	Claiborn Res-Driveway	<0.1
5/18/2000	Claiborn-3	49124	soil	Claiborn Res-Driveway	<0.1
5/18/2000	Claiborn-4	49125	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-2	49126	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-3	49127	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-4	49128	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-5	49129	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-6	49130	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-7	49131	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-8	49132	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-9	49133	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-10	49134	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-11	49135	soil	Claiborn Clearnace	<0.1
5/18/2000	Claiborn-12	49136	soil	Claiborn Clearnace	<0.1
5/23/2000	lue Tractor	49144	wipe	Blue Tractor1	<0.1
5/23/2000	lue Tractor	49145	wipe	Blue Tractor 2	<0.1
5/23/2000	lue Tractor	49146	wipe	Blue Tractor3	<0.1
5/23/2000	lue Tractor	49147	wipe	Blue Tractor4	<0.1
5/23/2000	lue Tractor	49148	wipe	Blue Tractor 5	<0.1
5/23/2000	lue Tractor	49149	wipe	Blue Tractor 6	<0.1
5/23/2000	lue Tractor	49150	wipe	Blue Tractor 7	<0.1
5/23/2000	Bull Dozer 1	49151	wipe	Bull Dozer 1	4.3
5/23/2000	Bull Dozer 2	49152	wipe	Bull Dozer 2	5.1
5/24/2000	AC201	49153	wipe	Air Compressor right front panel	ND
				Air Compressor right back panel	ND

5/24/2000	AC 203	49155	wipe	Air Compressor hammer	ND
5/24/2000	AC 204	49156	wipe	Air Compressor front tongue	ND
5/24/2000	AC205	49157	wipe	Air Compressor left panel	ND
5/24/2000	AC206	49158	wipe	Air Compressor r. rear panel	ND
5/24/2000	KT-1	49159	wipe	Kubota tractor right inside bucket	ND
5/24/2000	KT2	49160	wipe	Kubota tractor left inside bucket	ND
5/24/2000	KT3	49161	wipe	Kubota right front tire	ND
5/24/2000	KT4	49162	wipe	Kubota left front tire	ND
5/24/2000	KT5	49163	wipe	Kubota right foot step	ND
5/24/2000	KT6	49164	wipe	Kubota cab floor	ND
5/24/2000	KT7	49165	wipe	Kubota steering wheel	ND
5/24/2000	KT8	49166	wipe	Kubota brake pedal	ND
5/24/2000	KT9	49167	wipe	Kubota right arm brace pad	ND
5/24/2000	KT10	49168	wipe	Kubota left brace arm pad	ND
5/24/2000	KT11	49169	wipe	Kubota inside rear bucket	ND
5/24/2000	KT12	49170	wipe	Kubota outside rear bucket teeth	0.5
5/24/2000	KT 13	49171	wipe	Kubota bottom outside rear bucket	ND
5/24/2000	KT14	49172	wipe	Kubota arm rest right	ND
5/24/2000	KT15	49173	wipe	Kubota arm rest left	ND
5/24/2000	n/a	49174	n/a	no sample collected	na
5/24/2000	007	49175	wipe	wt. Pump truck-front center of bed	ND
5/24/2000	008	49176	wipe	wt. Pump truck-passenger side wall	ND
5/24/2000	009	49177	wipe	wt. Pump truck-rear center of bed	ND
5/24/2000	010	49178	wipe	wt. Pump truck-passenger side tailgate	ND
5/24/2000	011	49179	wipe	wt. Pump truck tailgate lip	ND
5/24/2000	012	49180	wipe	wt. Pump truck driver side tailgate	ND
5/24/2000	013	49181	wipe	wt. Pump truck driver side wall	ND
5/24/2000	014	49182	wipe	wt. Pump truck passenger side door handle	ND
5/24/2000	015	49183	wipe	wt. Pump truck driver side rail	ND
5/24/2000	016	49184	wipe	wt. Pump truck passenger side wall	ND
5/24/2000	017	49185	wipe	wt. Pump truck driver side door handle	ND
5/24/2000	T01	49186	wipe	Track Hoe-front inside right bucket	ND
5/24/2000	T02	49187	wipe	Track Hoe -front inside left front bucket	ND
5/24/2000	T03	49188	wipe	Track Hoe-right front tire	0.3
5/24/2000	T04	49189	wipe	Track Hoe-right foot step	ND
5/24/2000	T05	49190	wipe	Track Hoe Steering wheel	ND
5/24/2000	T06	49191	wipe	Track Hoe-floor	ND
				Track Hoe Brake pad	ND

5/24/2000	T08	49193	wipe	Track Hoe right arm rest	ND
5/24/2000	T09	49194	wipe	Track Hoe right bracing arm pad	ND
5/24/2000	T10	49195	wipe	Track Hoe inside rear Bucket	ND
5/24/2000	T11	49196	wipe	Track Hoe left inside Bucket	ND
5/24/2000	T13	49197	wipe	Track Hoe Outside Bucket	ND
5/24/2000	T14	49198	wipe	Track Hoe left Brace arm pad	ND
5/24/2000	T15	49199	wipe	Track Hoe foot step	ND
5/24/2000	BH01	49200	wipe	Back Hoe right inside front bucket	ND
5/24/2000	BH02	49201	wipe	Back Hoe left inside front bucket	ND
5/24/2000	BH03	49202	wipe	Back Hoe right outside front bucket	ND
5/24/2000	BH04	49203	wipe	Back Hoe left outside front bucket	ND
5/24/2000	BH05	49204	wipe	Back Hoe right front tire	ND
5/24/2000	BH06	49205	wipe	Back Hoe left tire	ND
5/24/2000	BH07	49206	wipe	Back Hoe stirring wheel	ND
5/24/2000	BH08	49207	wipe	Back Hoe brake pedal	ND
5/24/2000	BH09	49208	wipe	Back Hoe right arm rest	ND
5/24/2000	BH10	49209	wipe	Back Hoe floor	ND
5/24/2000	BH11	49210	wipe	Back Hoe left bracing arm pad	ND
5/24/2000	BH12	49211	wipe	Back Hoe right bracing arm pad	ND
5/24/2000	BH13	49212	wipe	Back Hoe inside rear bucket	ND
5/24/2000	BH14	49213	wipe	Back Hoe outside teeth rear bucket	ND
5/24/2000	BH16	49214	wipe	Back Hoe outside rear bucket bottom	ND
5/24/2000	BD001	49215	wipe	Bulldozer front left blade	ND
5/24/2000	BD002	49216	wipe	Bulldozer front middle blade	ND
5/24/2000	BD003	49217	wipe	Bulldozer front right blade	ND
5/24/2000	BD004	49218	wipe	Bulldozer right brake paddle	ND
5/24/2000	BD005	49219	wipe	Bulldozer left brake paddle	ND
5/24/2000	BD006	49220	wipe	Bulldozer floor	ND
5/24/2000	BD007	49221	wipe	Bulldozer seat	ND
5/24/2000	BD008	49222	wipe	Bulldozer right arm rest	ND
5/24/2000	BD009	49223	wipe	Bulldozer left arm rest	ND
5/24/2000	BD010	49224	wipe	Bulldozer outer skin right side	ND
5/24/2000	BD011	49225	wipe	Bulldozer right outside track	ND
5/24/2000	BD012	49226	wipe	Bulldozer right outside track	ND
5/24/2000	BD013	49227	wipe	Bulldozer right outside track	ND
5/24/2000	BD014	49228	wipe	Bulldozer right outside track	ND
5/24/2000	BD015	49229	wipe	Bulldozer right inside track	ND
				Momenta middle front skin plate	ND

5/24/2000	KOM047	49231	wipe	Komsuto right front skin plate	ND
5/24/2000	KOM048	49232	wipe	Komsuto left front skin plate	ND
5/24/2000	KOM049	49233	wipe	Komsuto left back skin plate	ND
5/24/2000	KOM050	49234	wipe	Komsuto right back skin plate	ND
5/24/2000	KOM031	49235	wipe	Komsuto right outside track	ND
5/24/2000	KOM032	49236	wipe	Komsuto right outside track	ND
5/24/2000	KOM033	49237	wipe	Komsuto right outside track	ND
5/24/2000	KOM034	49238	wipe	Komsuto right outside track	ND
5/24/2000	KOM035	49239	wipe	Komsuto right outside track	ND
5/24/2000	KOM036	49240	wipe	Komsuto right inside track	ND
5/24/2000	KOM037	49241	wipe	Komsuto right inside track	ND
5/24/2000	KOM038	49242	wipe	Komsuto right inside track	ND
5/24/2000	KOM039	49243	wipe	Komsuto right inside track	ND
5/24/2000	KOM040	49244	wipe	Komsuto right inside track	ND
5/24/2000	KOM041	49245	wipe	Komsuto right middle track	ND
5/24/2000	KOM042	49246	wipe	Komsuto right middle track	ND
5/24/2000	KOM043	49247	wipe	Komsuto right middle track	ND
5/24/2000	KOM044	49248	wipe	Komsuto right middle track	ND
5/24/2000	KOM045	49249	wipe	Komsuto right middle track	ND
5/24/2000	KOM016	49250	wipe	Komsuto left inside track	ND
5/24/2000	KOM017	49251	wipe	Komsuto left inside track	ND
5/24/2000	KOM018	49252	wipe	Komsuto left inside track	ND
5/24/2000	KOM019	49253	wipe	Komsuto left inside track	ND
5/24/2000	KOM020	49254	wipe	Komsuto left inside track	ND
5/24/2000	KOM021	49255	wipe	Komsuto left middle tract	ND
5/24/2000	KOM022	49256	wipe	Komsuto left middle tract	ND
5/24/2000	KOM023	49257	wipe	Komsuto left middle tract	ND
5/24/2000	KOM024	49258	wipe	Komsuto left middle tract	ND
5/24/2000	KOM025	49259	wipe	Komsuto left middle tract	ND
5/24/2000	KOM026	49260	wipe	Komsuto floor	ND
5/24/2000	KOM027	49261	wipe	Komsuto right foot paddle	ND
5/24/2000	KOM028	49262	wipe	Komsuto left foot paddle	ND
5/24/2000	KOM029	49263	wipe	Komsuto right stick	ND
5/24/2000	KOM030	49264	wipe	Komsuto seat	ND
5/24/2000	KOM001	49265	wipe	Komsuto inside left bucket	ND
5/24/2000	KOM002	49266	wipe	Komsuto inside left wall bucket	ND
5/24/2000	KOM003	49267	wipe	Komsuto inside right wall bucket	ND
				Komsuto inside right bucket	ND

5/24/2000	KOM005	49269	wipe	Komsuto teeth bucket	ND
5/24/2000	KOM006	49270	wipe	Komsuto outside right bucket	ND
5/24/2000	KOM007	49271	wipe	Komsuto outside mid back bucket	ND
5/24/2000	KOM008	49272	wipe	Komsuto outside left bucket	ND
5/24/2000	KOM009	49273	wipe	Komsuto joint of bucket	ND
5/24/2000	KOM010	49274	wipe	Komsuto outside joint	ND
5/24/2000	KOM011	49275	wipe	Komsuto left outside track	ND
5/24/2000	KOM012	49276	wipe	Komsuto left outside track	ND
5/24/2000	KOM013	49277	wipe	Komsuto left outside track	ND
5/24/2000	KOM014	49278	wipe	Komsuto left outside track	ND
5/24/2000	KOM015	49279	wipe	Komsuto left outside track	ND
5/24/2000	BD031	49280	wipe	Bull Dozer-left middle track	ND
5/24/2000	BD032	49281	wipe	Bull Dozer-left middle track	ND
5/24/2000	BD033	49282	wipe	Bull Dozer-left middle track	ND
5/24/2000	BD034	49283	wipe	Bull Dozer-left middle track	ND
5/24/2000	BD035	49284	wipe	Bull Dozer- left back skin	ND
5/24/2000	BD036	49285	wipe	Bull Dozer- right back skin	ND
5/24/2000	BD016	49286	wipe	Bull Dozer- right inside Track	ND
5/24/2000	BD017	49287	wipe	Bull Dozer- right inside Track	ND
5/24/2000	BD018	49288	wipe	Bull Dozer- right inside Track	ND
5/24/2000	BD019	49289	wipe	Bull Dozer-right middle track	ND
5/24/2000	BD020	49290	wipe	Bull Dozer-right middle track	ND
5/24/2000	BD021	49291	wipe	Bull Dozer-right middle track	ND
5/24/2000	BD022	49292	wipe	Bull Dozer-right middle track	ND
5/24/2000	BD023	49293	wipe	Bull Dozer-left outside track	ND
5/24/2000	BD024	49294	wipe	Bull Dozer-left outside track	ND
5/24/2000	BD025	49295	wipe	Bull Dozer-left outside track	ND
5/24/2000	BD026	49296	wipe	Bull Dozer-left outside track	ND
5/24/2000	BD027	49297	wipe	Bull Dozer-left inside track	ND
5/24/2000	BD028	49298	wipe	Bull Dozer-left inside track	ND
5/24/2000	BD029	49299	wipe	Bull Dozer-left inside track	ND
5/24/2000	BD030	49300	wipe	Bull Dozer-left inside track	ND



FILE COPY


Fax

BorgWarner Inc.
11955 East Nine Mile Road
Warren, Michigan 48089

FAX TRANSMITTAL INFORMATION	
From: Anastasia Hamel	To: Gretchen Zmitrovich
Of: BorgWarner Inc.	Of: MDEQ
Phone: (810) 497-4503	Fax: 601-961-5300
Fax: (810) 497-4441	RE: USEPA Letter
<p>Please deliver the attached to Gretchen Zmitrovich.</p> <p>Thank you.</p>	
<p>This facsimile contains information which (a) may be legally privileged, proprietary in nature or otherwise protected by law from disclosure, and (b) is intended only for the use of the addressee(s) named above. If you are not the addressee or the person responsible for delivering this to the addressee(s), you are hereby notified that any disclosure, copying, distributing or use of this facsimile is prohibited and may constitute an invasion of the privacy of the addressee(s). If you have received this facsimile in error, please telephone us (collect) immediately so that we can arrange for the retrieval of the facsimile at no cost to you.</p>	
Date: November 17, 2000	Number of page(s) in this fax including cover <u>5</u>

Original will be sent via: Mail <input checked="" type="checkbox"/> Overnight Courier <input type="checkbox"/> Will Not Be Sent <input type="checkbox"/>
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FILE COPY

 Gretchen Zmitrovich
11/08/2000 09:21 AM

To: HERM132BANKHEAD@aol.com @ INETDEQ
cc:

Subject: Re: CONTAMINANTS AT KUHLMAN ELECTRIC CORPORATION (PCBs) 

The remediation of the medical clinic has taken longer than expected. They are remediating the medical clinic and 215 N. Jackson at the same time. The last time I spoke to anyone in the field was on Thursday. At that time, they were almost ready to backfill part of the property.

The work plan to remediate the Kuhlman property has not been developed yet. After it is submitted, it will go through a review process here at MDEQ and at EPA. We will review the issue of the Kuhlman workers at that time. As far as the time frame involved, it is hard to estimate. I would assume several months.

HERM132BANKHEAD@aol.com on 11/08/2000 05:07:18 AM



HERM132BANKHEAD@aol.com on 11/08/2000 05:07:18 AM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc:

Subject: Re: CONTAMINANTS AT KUHLMAN ELECTRIC CORPORATION (PCBs)

Gretchen:

It's an awful lot of time being spent on the clean up of the property of the clinic next door to Kuhlman and we noticed that trees are removed and carried away.

Does this indicate that the problem is greater than original report and do you have the latest update?

We also notice that the amount of time for the clinic is small compared to the actual time it is going to take to clean up Kuhlman. Do you think that it is going to be safe for the workers to be present at Kuhlman during the cleanup and how long do you think it will take?

Thanks for whatever information you have.

Herman



.att1.htm



HERM132BANKHEAD@aol.com on 11/08/2000 05:07:18 AM

FILE COPY

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc:

Subject: Re: CONTAMINANTS AT KUHLMAN ELECTRIC CORPORATION (PCBs)

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Thanks for whatever information you have.

Herman



.at11.htm



FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

November 8, 2000

Kuhlman Electric Corporation
Mr. John Zvolensky
President and CEO
101 Kuhlman Boulevard
Versailles, Kentucky 40383

Re: Kuhlman Electric Corporation – Crystal Springs

Dear Mr. Zvolensky:

Enclosed is Administrative Order No. 4165-00. Please note the various time frames for submitting documents or completing work. This is an ex parte order and does not contain penalties. However, failure to comply with any terms of this order may result in a fine of up to \$25,000 per day per violation.

For technical questions you may contact Gretchen Zmitrovich at 601-961-5240 or for questions of legal nature you may contact me at 601-961-5340.

Sincerely,

A handwritten signature in cursive script that reads "Kelli M. Dowell".

Kelli M. Dowell
Attorney

Enclosure

cc: Gretchen Zmitrovich – MDEQ
Scott Schang, Esq.
Tom Lupo, Esq.
Anatasia Hamil
Mayor Hugh Webb
Paul Acheson

BEFORE THE MISSISSIPPI COMMISSION
ON ENVIRONMENTAL QUALITY

MISSISSIPPI COMMISSION ON
ENVIRONMENTAL QUALITY

COMPLAINANT

VS.

ORDER NO. **4165** **00**

KUHLMAN ELECTRIC CORPORATION
ATTN: JOHN ZVOLENSKY
PRESIDENT AND CEO
101 KUHLMAN BOULEVARD
VERSAILLES, KENTUCKY 40383

RESPONDENT

ORDER

The above captioned cause came before the Executive Director of the Mississippi Department of Environmental Quality (MDEQ) this day for ex parte consideration under the authority of Miss. Code Ann. § 49-2-13 (Rev. 1999), and the Executive Director, having heard and considered information presented by MDEQ staff, having determined that an Administrative Order should be issued prefatory to any evidentiary hearing, and without making any final adjudication of fact or law, finds as follows:

1.

The Respondent, Kuhlman, is subject to Miss. Code Ann. §§ 17-17-1 et seq. and §§ 49-17-1 et seq. and the rules and regulations of the Mississippi Commission on Environmental Quality (Commission).

2.

Kuhlman operates the facility located at 101 Kuhlman Drive, Crystal Springs, MS 39059 ("site").

3.

On April 20, 2000, MDEQ was notified that a substance had been unearthed during an excavation for a building expansion at the site. Laboratory samples collected of the substance revealed the presence of polychlorinated biphenyls (PCBs) and several chlorinated benzenes.

4.

Shortly thereafter, it was discovered that employees of Kuhlman had removed soil from the site prior to the discovery of the substance. It also was discovered that a contractor for Kuhlman disposed of an unknown quantity of soil at the AKT gravel pit on Highway 27 in Crystal Springs and that most of the soil was buried in the pit. Kuhlman recovered some of the soil that the employees removed from the site and some unburied soils found at the AKT gravel pit. The recovered soil has been placed in roll-off containers on the site awaiting proper disposal. No action has been taken on the soil at the AKT gravel pit.

5.

Pursuant to an indemnity agreement, BorgWarner, Inc. mobilized to the site on May 8, 2000 to begin investigating the extent of the contamination. The initial investigation showed widespread on-site contamination and that surface run-off from the site has impacted neighboring residential and commercial properties. Surface run-off also has impacted a drainage ditch leading to Lake Chautauqua. MDEQ has sampled several species of the fish in Lake Chautauqua and determined that they have been impacted by the contamination from the site.

6.

During the course of the investigation begun on May 8, 2000, BorgWarner, Inc. discovered that residents in the area received contaminated soil from Kuhlman

during the late 1990's. BorgWarner began initial work on these residences to determine the extent of the contamination and to remove the contaminated soils.

7.

Polychlorinated biphenyls, chlorinated benzenes, polynuclear aromatic hydrocarbons, and silver have been detected during the investigative work to date. In addition to these constituents, MDEQ has identified cyanide and several volatile organic compounds as constituents of concern.

8.

Premises considered, MDEQ has concluded that additional investigation and action are necessary and appropriate.

IT IS, THEREFORE, ORDERED as follows:

- A. Within 10 days of the effective date of this Order, Kuhlman must submit to MDEQ and EPA Region 4 a report to satisfy the requirements set forth below:
 1. Provide information about what chemicals (specifically transformer fluids, wood treating compounds, and silver plating fluids) have historically been used on-site, what chemicals are now being used on-site, where they were/are stored, and how they were/are disposed of.
 2. Provide information about whether or not Kuhlman Electric Corporation historically or currently remanufactured(es) transformers at the Crystal Springs facility. If they did or do remanufacture transformers, provide information on how the

transformer fluids were/are handled, and the time period involved.

3. Provide information about any removal of soil from the site at any time, especially during past plant improvements.
4. Provide information about when plant improvements were made that would have affected surface water gradient (expansions, parking lots paved, etc.).
5. Describe in detail the steps taken to investigate and remediate the contaminated soil removed from the site by Kuhlman Electric Corporation's employees. This report should include sample locations and laboratory data sheets.

B. Within 14 days of the effective date of this Order, Kuhlman must submit to MDEQ and EPA Region 4 a work plan and schedule in conformance with 40 CFR 761.61 sufficient to outline the activities set forth below:

1. Delineate the soils both horizontally and vertically at the AKT gravel pit for the constituents of concern. Also include appropriate procedures for the management and/or disposal of any contaminated soils detected above regulatory levels.

C. Within 30 days of the effective date of this Order, Kuhlman must submit to MDEQ and EPA Region 4 a work plan and schedule in conformance with 40 CFR 761.61 sufficient to outline the activities set forth below:

1. Delineate all residential and commercial properties that have been affected either by runoff or by obtaining soil from the site.

2. Delineate the soils on-site both horizontally and vertically for the constituents of concern. Below are some areas MDEQ has identified as needing additional sampling:
 - a. south parking lots,
 - b. north parking lot,
 - c. former above ground storage tank area on southwest side of plant, and
 - d. any additional areas on-site where soil from the site may have been used as fill.
 3. Determine all historic and present drainage pathways and delineate for the constituents of concern.
 4. Delineate the sediments both horizontally and vertically in Lake Chautauqua for the constituents of concern.
 5. Sample the surface water and sediments at the effluent side of Lake Chautauqua for the constituents of concern.
 6. To the extent required based upon PCB levels in sediments, perform an ecological assessment at Lake Chautauqua to determine what receptors of concern exist and the nature and extent of the impact the contamination has had on them.
 7. Delineate the nature and extent of any groundwater contamination.
- D. Within 10 days of receipt of work plan approval from the MDEQ and EPA, Kuhlman must begin implementation of the approved work plan according to the approved schedule.
- E. Kuhlman must complete execution of the approved work plan according to the approved schedule.

- F. Within 60 days of completion of the work plan activities, Kuhlman must submit to MDEQ a report detailing the findings developed as a result of implementation of the approved work plan.

- G. Kuhlman has and will continue to implement as necessary such interim remedial actions as are necessary to protect human health and the environment from imminent danger.

9.

Any remedial/response work performed by Kuhlman, its parent corporation, or a third party must first be approved by MDEQ.

10.

If aggrieved by this Order, Kuhlman may request a hearing before the Commission by filing a sworn petition with the Commission within thirty (30) days after the date of this Order in the manner set forth in Miss. Code Ann. §49-17-41 (Rev. 1999).

ORDERED, this the 7th day of Nov., 2000.

MISSISSIPPI COMMISSION ON
ENVIRONMENTAL QUALITY

BY: Charles H. Chisolm
CHARLES H. CHISOLM
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY

SEYFARTH ATTORNEYS SHAW

FILE COPY

55 East Monroe Street
Suite 4200
Chicago, IL 60603-5803
312-346-8000
fax 312-269-8869
www.seyfarth.com

FACSIMILE COVER SHEET

Please deliver this transmission to:

name(s): Bretchen Zentrovich
company(ies): _____
fax number(s): 601/961-5300
phone number(s): _____
re: _____

From:

name(s): Thomas D. Lupo
phone number(s): _____
re: _____
total pgs: _____ (including cover sheet) 4

- hard copy to follow
- per your request
- please review and make changes
- please review and advise
- please phone me at: _____

Additional Message:

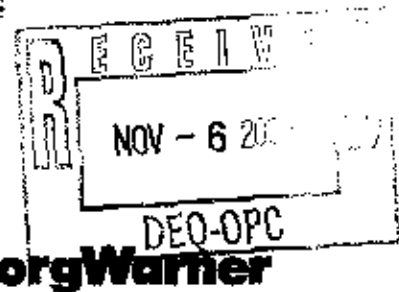
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Please call 312-346-8000 ext. 3179 regarding any problems.

ATLANTA BOSTON CHICAGO HOUSTON LOS ANGELES NEW YORK SACRAMENTO SAN FRANCISCO WASHINGTON, D.C. BRUSSELS

AH-00-1632

FILE COPY



VIA UPS NEXT DAY AIR



BorgWarner

November 2, 2000

Craig Brown
U.S. EPA, Region 4
AFC Building, 12th Floor
61 Forcyth Street, S.W.
Atlanta, Georgia 30303

Anastasia Hamel
Director, Environmental Programs
BorgWarner Inc.
11955 East Nine Mile Road
Warren, Michigan 48089

Re: Kuhlman Electric Corporation Facility
Crystal Springs, Mississippi

Dear Mr. Brown:

As requested, enclosed please find a complete copy of the Preliminary Site Characterization Report for the Kuhlman Electric Corporation ("KEC") Crystal Springs, Mississippi facility submitted to the Mississippi Department of Environmental Quality ("MDEQ") on July 31, 2000.

As you are aware, KEC was a subsidiary of the Kuhlman Corporation, which was purchased by BorgWarner Inc. ("BorgWarner") on March 1, 1999. Subsequently, KEC was sold to the Carlyle Group, a transaction which closed on October 5, 1999. Although BorgWarner never owned or operated the Crystal Springs facility, it provided an indemnity to the Carlyle Group and KEC covering "Pre-Closing Environmental Matters" at the Crystal Springs facility as a part of the sale of KEC.

On April 21, 2000, BorgWarner was informed by KEC's management that during preparations for a plant expansion, contamination was discovered at the Crystal Springs facility. On April 25, 2000 Eric Dear of MDEQ visited the KEC site to obtain a better understanding of the situation. Pursuant to its indemnity, BorgWarner mobilized Ogden Environmental on May 8, 2000 to commence the appropriate initial investigation at the site and determine the extent of contamination. An on-site laboratory was also mobilized for quick analysis turnaround of field samples. An outside laboratory is also being used to confirm the on-site laboratory results.

The preliminary site characterization activities centered around the determination of character, concentration, and migration potential of any on-site contaminants and in taking the appropriate actions necessary to mitigate potential public exposure. The preliminary site characterization report mainly concentrates on reporting the analytical results of the site characterization. Delineation activities have continued on-site and remediation alternatives remain under evaluation at this time.

Delineation activities have been completed for residential properties adjoining the KEC facility along Jackson and Lee Avenues. The delineation results are attached for your information and file. Also, as you are aware, BorgWarner is currently remediating residential properties under the direction and guidance of the MDEQ. BorgWarner, on October 31st also mobilized a separate crew to conduct delineation sampling at residential properties along the drainage ditch. The on-site laboratory has continued to operate throughout this endeavor. Samples continue to be split between the on-site and off-site laboratory for quality control purposes as well as with the MDEQ for its own independent analysis.

As we discussed over the telephone, it is BorgWarner's understanding that it may reclaim some of the soils excavated from the residential areas to the extent that their PCB levels do not exceed 10 parts per million (ppm) and may permanently deposit them on the KEC plant site if ultimately placed under concrete or asphalt.

It is also BorgWarner's understanding that during the clean-up efforts no regulatory deadlines will apply to the materials collected by KEC from its employees' homes and the AKT Gravel Pit that are currently staged in roll-off containers at the KEC plant site and that BorgWarner may return some of these materials to the KEC plant site and reclaim them as fill provided that their PCB concentrations do not exceed 10 ppm and places them under concrete or asphalt.

Lastly, I wish to thank you for your assistance in the BFI approval process for the excavated residential soils and their subsequent disposal at the Jackson BFI landfill.

An additional item enclosed in this package, for your information and file, is a project update letter submitted to Jerry Banks of the MDEQ on November 1, 2000.

After you have had an opportunity to review the enclosed information, please feel free to contact me directly at 810-497-4503 with any questions you may have.

Again, thank you for your assistance and cooperation and I look forward to working with you on this project.

Very truly yours,



Anastasia Hamel
Director, Environmental Programs
BorgWarner Inc.

Craig Brown, USEPA
November 2, 2000
Page 3 of 3

cc: J. Banks, MDEQ
T. Russell, MDEQ
G. Zmitrovich, MDEQ ✓
L. Horiszny, Esq.
T. Lupo, Esq.
S. Schang, Esq.
A. Thomas

Enclosures (3)

FILE COPY

CITY OF CRYSTAL SPRINGS
P.O. BOX 473
210 EAST RAILROAD AVE.
CRYSTAL SPRINGS, MS 39059

FAX COVER SHEET

DATE: 11-17-00

TIME: _____

TO: Gretchen
DEB

PHONE: 961-5240

FAX: 961-5300

FROM: Kim
CITY OF CRYSTAL SPGS

PHONE: 601/892-1210

FAX: 601/892-4870

RE: See letter

Number of pages including cover sheet: 2

Message

PERILLOUX & ASSOCIATES, P.A.

ATTORNEYS AT LAW
4343 DIXIE DRIVE
JACKSON, MISSISSIPPI 39209

ROY J. PERILLOUX
(ALSO ADMITTED IN LOUISIANA)
JAMES E. RENFROE
D. BRIAN ALLEN

PHONE: (601) 922-3482
FAX: (601) 922-3472
EMAIL: roy4343@meta3.net

LEGAL ASSISTANTS:
BONNIE PERILLOUX
GIGI WALL
BRENDA SLAY

November 16, 2000

Hugh Webb, Mayor
City of Crystal Springs
PO Box 473
Crystal Springs MS 39059

Re: Kevin & Terri Frazier
405 Lee Avenue
Crystal Springs MS

Dear Mayor Webb:

This will serve to notify you that as of November 14, 2000 at their request we are no longer counsel of record for Mr. & Mrs. Frazier. Any and all future contact and/or correspondence concerning the Frazier's or their property should be direct to them and not to this firm.

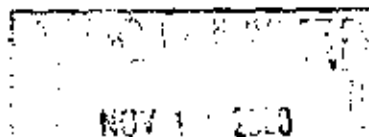
I thank you for your valued attention to this matter.

Respectfully,



D. Brian Allen

cc: Kevin & Terri Frazier



FILE COPY

PERILLOUX & ASSOCIATES, P.A.
ATTORNEYS AT LAW
4343 DIXIE DRIVE
JACKSON, MISSISSIPPI 39209

ROY J. PERILLOUX
(ALSO ADMITTED IN LOUISIANA)
JAMES E. RENFROE
D. BRIAN ALLEN

PHONE: (601) 922-3482
FAX: (601) 922-3472
EMAIL: roy4343@meta3.net

LEGAL ASSISTANTS:
BONNIE PERILLOUX
GIGI WALL
BRENDA SLAY

November 16, 2000

Tony Russell
MS Department of Environmental Quality
PO Box 10385
Jackson MS 39289-0385

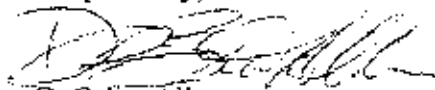
Re: Kevin & Terri Frazier
405 Lee Avenue
Crystal Springs MS

Dear Mr. Russell:

This will serve to notify you that as of November 14, 2000 at their request we are no longer counsel of record for Mr. & Mrs. Frazier. Any and all future contact and/or correspondence concerning the Frazier's or their property should be direct to them and not to this firm.

I thank you for your valued attention to this matter.

Respectfully,


D. Brian Allen

cc: Kevin & Terri Frazier



Jeff Smith <JSmith@sheldonlabs.com> on 11/13/2000 10:35:50 AM

FILE COPY

To: Gretchen Zmitrovich/HW/QPC/DEQ@DEQ
cc:

Subject: Test Results

Gretchen:

I had requested test results a week or so ago, but have not received anything. What's the latest? Obviously, they have found higher levels and more hot spots than anticipated with all the digging they are doing. Can you confirm this?

Please let me know.

Thanks,

Jeff

Borg Warner
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November 15, 2000

Mayor Hugh Webb
City of Crystal Springs
P. O. Box 473
Crystal Springs, Mississippi 39059

**BorgWarner**

Re: Kuhlman Electric Corporation's Crystal Springs, Mississippi Plant

Dear Mayor Webb:

I am writing to follow-up on our meetings and conversations concerning activities at the Kuhlman Electric Company ("KEC") plant and your October 11, 2000 letter to the Mississippi Department of Environmental Quality ("MDEQ"). As we have discussed, BorgWarner is greatly disappointed that your October 11, 2000 letter so strongly suggests that despite its (1) coordinating and working at the firm direction of the MDEQ, and (2) its substantial remedial investigation and response activities, BorgWarner was not performing at a pace acceptable to the City of Crystal Springs, at least based on information available to you at that time.

A reasoned and logical methodology to this substantial effort is necessary to assure quality and thoroughness, while minimizing exposure and avoidable, negative incidents related to trying to complete this project too quickly. BorgWarner is hopeful that the following information will assist you in understanding BorgWarner's efforts and advancing the interests of your community in a positive and logical manner.

Neither BorgWarner nor the present Kuhlman Corporation has ever directly owned or operated the KEC plant. As you know, the plant was constructed and has been operated by KEC and its predecessors since the 1950s, manufacturing electrical transformers. BorgWarner Inc. purchased Kuhlman Corporation, the former parent of KEC, in March 1999. KEC and its Crystal Springs plant were sold a mere seven months later, when BorgWarner closed its sale of KEC to the Carlyle Group and its affiliates. As part of the transaction, BorgWarner provided a contractual indemnity for environmental conditions existing *on or prior to* the October 6, 1999 closing date.¹

When KEC reported that construction activities had revealed the subject contamination, BorgWarner promptly and voluntarily established a presence at the KEC plant, including an on-site

¹ To the extent that contamination occurred after the closing date, or subsequent activities by KEC, its employees, contractors or agents caused the disruption or loss of control of any pre-closing contamination, or a change or movement of the hazard, BorgWarner believes that the indemnity does not apply. Examples of this distinction are the post-closing removal of KEC plant soils to the homes of KEC employees and the transportation of likely construction debris to the AKT gravel pit area. BorgWarner and KEC hope to resolve this issue with minimal exposure to people or the environment.

Mayor Hugh Webb
November 15, 2000
Page 2

laboratory, and began substantial sampling activities, in cooperation with MDEQ, and we believe, your offices.

BorgWarner immediately began its investigation of the pre-closing environmental conditions at the KEC facility. After comprehensive sampling on the KEC plant's premises and instituting extensive containment measures, BorgWarner compiled the KEC plant information, including hundreds of sampling results, made initial assessments of the information collected, and submitted this information to MDEQ.

Next, in coordination with and at the direction of MDEQ, it was determined that sampling and any necessary remediation and restoration of potentially affected, immediately adjacent residences would occur, while commencing sampling along the north drainage ditch. Thereafter analysis of Lake Chautauqua's waters, fish and sediments, may occur as necessary, after the release of the State's pending Lake Chautauqua Task Force Report. With MDEQ's approval and direction, and your assistance, BorgWarner continued in this extensive undertaking by arranging property access, and testing and commencing the remediation of the neighboring properties. When further investigation revealed that residences also border the drainage ditch, BorgWarner, MDEQ and you began planning to gain access to and conduct sampling activities at these properties as well. MDEQ's direction and BorgWarner's logic was to address the residential areas immediately adjacent to the KEC plant site first and then move on to the properties along the drainage ditch. "Select" remediation was NEVER a part of the equation. BorgWarner has continued to put the health and welfare of the people and the environment first in all of its actions in this matter.

Test results from the properties immediately adjacent to the plant were submitted to the MDEQ and it is our understanding that the MDEQ has forwarded all of the results to the respective homeowners. Remediation and restoration commenced, but the intervention of third parties, who failed to coordinate with BorgWarner despite its request, has seriously hindered this aspect. BorgWarner is working closely with the MDEQ to advance these activities, ignoring for the moment the potential for litigation by these third-parties.² We must firmly state our deep concern about the divisive effect that

² Along these lines, BorgWarner is especially hopeful that a report that your closest advisor on this project has been referring local residents to attorneys for potential suits against KEC is false.

Mayor Hugh Webb
November 15, 2000
Page 3

the involvement of these third-parties may have on your community, where community pride and cohesiveness is otherwise quite evident.

While it may seem desirable to simultaneously perform all of the work identified in your letter and we fully understand your reasons for asking, BorgWarner strongly believes that it is neither sensible nor practical. Besides the substantial work underway, BorgWarner's efforts have interwoven quality and thoroughness in every respect and will continue to do so.

Further, BorgWarner believes that it is acting in a manner consistent with your demands and will continue to do so where it makes sense. BorgWarner has teams of highly qualified contractors working on the adjacent properties, the drainage ditch, the properties adjacent to the ditch, and is awaiting the State Task Force's report on Lake Chautauqua to consider any necessary steps at the lake. Throughout this undertaking, the onsite lab has been processing hundreds of samples collected each week. In turn, and at substantial added expense, a percentage of these samples are sent for confirmation to an independent, stationary lab experienced with PCBs analysis. An even further quality check is the splitting of various samples with onsite MDEQ representatives, for independent analysis. We are pleased to report that the results have been strikingly consistent.

MDEQ has been firmly involved in planning and directing this undertaking, and we believe, fully supports BorgWarner's approach as prompt, logical and reasoned. We seek and need your support and hope that this information will advance the common goals and further convince you and your staff that BorgWarner is responding to the unfortunate, recently identified contamination.

This effort will take time. We are doing all we can to minimize exposure while advancing the process. The KEC site is secure and no sediment should escape, but it is only secure as long as the cover is not disturbed in any way or form. Contrary to your letter, however, nothing is foolproof or tamper proof. Once clean-up begins at the KEC site, stormwater management will be a major issue. Any remediation activities will need to be performed very carefully to prevent migration of site sediments to the drainage ditch and Lake Chautauqua. We strongly believe, and believe that MDEQ and KEC agree, that addressing the KEC plant site last is inadvisable.

BW is currently conducting sampling activities along the drainage ditch at properties where access has been secured with your assistance. However, there are several properties whose owners have not yet been identified and access has not been secured. In some areas, the flood plain of the drainage ditch may be as much as 1000 feet wide, with thick vegetation as well as poisonous snakes which make the logistics of dealing with obvious concerns more challenging. This is typical of the issues that effect the timing and order of this undertaking.

Mayor Hugh Webb
November 15, 2000
Page 4

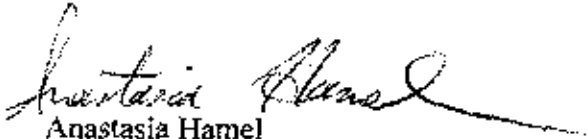
Further, BorgWarner has no knowledge or information with respect to existing or historical drainage patterns leaving the KEC plant site. If such information exists, please make it available to us for evaluation.

In summary, BorgWarner promptly established a presence at the facility, including an on-site laboratory and began conducting substantial sampling activities to investigate the Pre-Closing environmental conditions on the premises. BorgWarner organized and made initial assessments of the information collected to date, including a substantial initial report submitted to MDEQ and is continuing in this thorough and expensive undertaking by assessing and remediating the neighboring residences. BorgWarner has substantial activities underway and has continued its cooperative interaction with MDEQ.

BorgWarner appreciates the positive and logical working relationship with your office, despite circumstances, which clearly hold great potential for adversity. BorgWarner is committed to working closely with MDEQ, U.S. EPA and local government in a cooperative manner to accomplish the tasks necessary to the protection of human health and the environment, to the extent that the circumstances are covered by its contractual indemnity to KEC. BorgWarner will continue to discuss its intended activities with MDEQ and you.

If you have any questions or seek clarification of anything, please contact me at your earliest convenience.

Very truly yours,


Anastasia Hamel

- cc: Jerry Banks - MDEQ
- Mickey Crockett - KEC
- Laurene H. Horiszny, Esq.
- Thomas D. Lupo, Esq.
- Robert Martin - Martin & Slagle
- Thomas M. Minnich, CFO

- Bill Owen - WGK
- Scott E. Schang, Esq
- Bill Stewart - Stewart Consultants
- Tony Russell - MDEQ
- Gretchen Zmitrovich - MDEQ

SEYFARTH SHAW
ATTORNEYS

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Writer's direct phone

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Writer's e-mail

dupo@seyfath.com

November 6, 2000

Douglas G. Mercier, Esq.
357 Towne Center Boulevard
Suite 203
Ridgeland, Mississippi 39157

**Re: Kelhums' property located at 412 Lee Avenue, Crystal Springs, Mississippi
Edwards' property located at 406 Lee Avenue, Crystal Springs, Mississippi**

Dear Mr. Mercier:

We are in receipt of your October 30, 2000 letter. We are sorry that you did not understand the substantive aspects of my October 26, 2000 letter and choose instead to resort to personal attacks. We will not do the same.

Rather, we provide the following, sometimes previously stated, information:

1. Contrary to your comments, BorgWarner was awaiting the identity of your consultant for the splitting of samples with BorgWarner and MDEQ. We clearly had reached agreement on this point. MDEQ reports that it was awaiting the same information. Instead, you proceeded without contacting either MDEQ or my client, which now delays the cleanup of various locations.
2. Your statement that independent sampling during the week of October 23, 2000 "certainly did not cause unreasonable delay on the cleanup process" is incorrect and misses the point. Had the parties conducted split sampling, remediation would have commenced immediately. You chose not to. Now we must await your consultant's sampling results to assure that, contrary to your pointed and baseless assertions concerning "attempt[s] to obfuscate the truth," the results are accurate and credible. If your results are at odds with both the MDEQ's and BorgWarner's sampling results, obviously further sampling will be necessary before remediation can proceed.

ATLANTA - BOSTON - CHICAGO - HOUSTON - LOS ANGELES - NEW YORK - SACRAMENTO - SAN FRANCISCO - WASHINGTON, D.C. - BRUSSELS

SEYFARTH
ATTORNEYS **SHAW**

Douglas G. Mercier, Esq.
November 6, 2000
Page 2

3. BorgWarner is not focused on posturing for litigation. BorgWarner is focused on its remediation efforts, which have been stalled by your actions. While some may suggest that splitting samples with a prospective plaintiffs' counsel only serves to preserve evidence, BorgWarner nonetheless readily agreed to do so in an effort to advance the remediation. You declined.
4. Your comments concerning "re-contamination" of clean properties reflect innuendo and scare tactics as well as a lack of understanding of the facts and environmental remediation practices. Any activities conducted by BorgWarner on the Kuhlman plant property will apply standard regulatory agency-approved containment methods. This is vastly different than cleaning downgradient properties, only to allow your client's properties to re-contaminate them upon the first, following rain.
5. BorgWarner was considering the purchase of your clients' property.
6. Statements to the effect that BorgWarner polluted *anything*, is responsible for the spread of chemicals, or knew of the toxic contamination for a "substantial length of time," relative to the Kuhlman plant, all completely misstate the facts. As stated in our conversations and in my October 26, 2000 letter, BorgWarner has never owned or operated the Kuhlman Electric plant and only recently learned of the contamination. The Kuhlman Electric plant was part of the Kuhlman Electric subsidiary of a company which BorgWarner purchased just last year. BorgWarner sold subsidiary and plant a mere nine months later, without knowledge of the contamination. As part of the sale, BorgWarner provided a contractual indemnity for possible contamination, which KEC's current corporate and plant management expressly represented did not exist.

Once informed of the contamination on the KEC plant property, BorgWarner IMMEDIATELY began working with MDEQ and after sampling on the premises and instituting extensive containment measures, began investigating the possibility of run off to the neighboring residences. Shortly, BorgWarner scheduled cleanup activities and worked through MDEQ and the local government to inform citizens and arrange access. This work commenced in mid-October and continues where unobstructed by developments.

SEYFARTH
ATTORNEYS **SHAW**

Douglas G. Mercier, Esq.
November 6, 2000
Page 3

Accordingly, the sooner you can share your sampling results, the sooner MDEQ and BorgWarner may determine how to proceed.

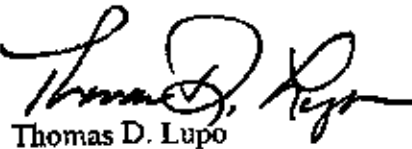
No one disputes your clients' right to sample their own property. Rather, BorgWarner proposed a sensible approach to gain the sought-after information. Instead, you choose a response premised on posturing, adversity and the building of lawsuits rather than proceeding cordially and progressively, as you had initially inferred. While you state that lines of communication remain open, the posturing, rumor, innuendo and scare tactics reflected throughout your letter raise serious doubts that continued discussions will receive anything other than a further, uncontrolled response.

Again, BorgWarner is extremely disappointed that the cleanup and the restoration of your clients' properties cannot proceed as scheduled due to your intervening course of action. BorgWarner will focus its efforts on working through MDEQ toward the prompt resolution of these issues, unless and until you propose and commit to a productive approach.

Very truly yours,

SEYFARTH SHAW

By:



Thomas D. Lupo

TDL:cyn
Enclosures
10178873.1

cc: Anastasia Hamel
Scott E. Schang, Esq.
Gretchen Zmitrovitch
Kelly Dowell, Esq.



FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

MEMORANDUM

To: Kuhlman Electric Corp. File
Crystal Springs, Copiah County, MS

From: Gretchen Zmitrovich

Date: November 8, 2000

Subject: update on site

On September 21, 2000, the MDEQ and the Health Department held a public meeting at the visitor's center at Lake Chautauqua. The purpose of the meeting was to give the citizens an update on the site and to provide general health information about exposure to PCBs. There was also a question and answer period at the end of the meeting. Most of the questions asked by the citizens were health related. Therefore, it was decided in the meeting that Bruce Bracken of the Health Department would return to Crystal Springs for one on one meetings with any individual who had health concerns. These meetings were later set for October 19 at city hall.

On October 10, the MDEQ, Robert Martin and representatives for the city of Crystal Springs met to discuss the remediation effort and to get final approval from the homeowners for remediation to begin. The list of attendees is attached to this memorandum.

On October 18, Mayor Hugh Webb, Anastasia Hamel, Robert Martin and I met with the homeowners of several properties along the drainage ditch. The list of homeowners we met with is attached to this memorandum. All parties gave their permission to sample their property for contamination. After these meetings, Ms. Hamel, Mr. Martin and I visited the medical clinic property where remediation had begun earlier in the week. The crew had filled several roll-off boxes with excavated soil and were awaiting approval from BFI for disposal. I contacted Craig Brown of the TSCA group of EPA Region 4 for assistance in getting the approval

needed. Ms. Hamel, Mr. Martin and I also met with the property owners at 311 W. Railroad Avenue; we obtained permission to sample this property at that time.

On October 19, BFI gave approval to dispose of the soil in the Little Dixie landfill. The MDEQ also met with representatives from BorgWarner, Kuhlman, Martin & Slagle, and the city of Crystal Springs to discuss the status of the site. It was decided that the same group would meet on a regular basis for a status update. After this meeting, Ms. Hamel, Mr. Martin and I met with the homeowner at 302 McPherson Road. The homeowner had called the MDEQ with a complaint about soil being on her property. When we arrived, we learned that her neighbor was one of the Kuhlman employees who had removed soil from the site. A contractor had removed the soil from the neighbors but the homeowner stated that they had parked the roll-off box on her land and did not use plastic underneath it. When I returned to the office on October 20, I contacted both Scott Shang and Al Thomas about the issue. I learned that the contractor did have plastic down and that First Environment had asked someone at the house if they had permission for the roll-off box and were told they did. I later saw pictures of the remediation taken by the contractor and confirmed that plastic was used under the roll-off box.

On October 23, I observed the remediation of the medical clinic. While in the field, I spoke to Kelly Phillips of Ogden about the confirmation samples for the excavation. I stated that confirmation samples should be collected on 5' centers in accordance with the PCB federal regulations.

On October 25, Ms. Hamel called to inform me that a third party consultant had taken samples in the Edward's and the Kellum's on October 24 and in the Warren's on October 25. On October 26 and October 27, I observed the remediation of the medical clinic property. While in the field, I spoke to Ms. Hamel and Mr. Martin regarding the confirmation samples. In a letter that Craig Brown had sent to BFI, he states that the soil on the residential properties is not considered a PCB remediation waste. Therefore, we decided that the federal regulations for confirmation samples do not apply. After some discussion, it was decided that the number and locations for confirmation samples should be taken from guidance found in the Michigan Department of Environmental Quality *Verification of Soil Remediation*, dated April 1994. I also collected split samples from GS-1 and GS-2. These samples were delivered to the OPC lab for analysis.

On October 30, I was in the field to observe the remediation of the property at 215 N. Jackson Street. While in the field, I discussed the confirmation sampling with Mr. Martin. Using the guidance referenced above, a confirmation sample spacing of 10' was approved with side wall samples composited from 0-6".

Memo to File: Kuhlman Electric Corp. File

Page 3

On November 2, I was in the field to observe the remediation of the property at 215 N. Jackson Street. The soil around the roots of the trees in this property and in the medical clinic's property had *detections above 1 ppm*. I agreed that the trees needed to be removed. When I left the field, some of the areas are ready to backfill.

On November 8, Meg McAlister of David Nutt and Associates phoned to ask when the Edward's and Kellum's properties. I informed her that we are still waiting on the results from her consultant's samples. She stated that they had received the PCB results and that they correlated with BorgWarner and MDEQ. She stated that the chlorinated benzene results should be available by the end of the week.

CRYSTAL SPRINGS RESIDENTS
MEETING SCHEDULE CONCERNING
PCB TESING (OCTOBER 18, 2000) **FILE COPY**

1. Beulah Sojourner
111 McPherson Street
Time 8:30 A.M.
2. Property owner: Flossie W. McMurray
(2 lots) Lives out of town
Son - Ralph Williams
Renter - Kevin Jones
Time 8:45 A.M.
3. Wanda Williams
102 Forest Street
Time 9:00 A.M.
4. Ms. Weathersby
101 Forest Street
Daughter lives in trailer
Mattie Weathersby
101A Forest Street
Time 9:15 A.M.
5. Lonnie Williams
103 Forest Street
Time 9:30 A.M.
6. Earl and Betty Kendrick
108 Tucker Street
Time 9:45 A.M.
7. Paulette Welch
501 Camp Street
Time 10:00 A.M.

DEQ needs to assess need for testing on other properties

- 1) Hugh Webb - Hugh Webb - Mayor
- 2) Bill Owen - Bill Owen - City Engineer
- 3) Gretchen Zmitrovich - Gretchen Zmitrovich - MDEQ
- 4) Robert Mall - Robert Martin. Martin & Slagle
(Bongibruni)
- 5) Bill Stewart - Stewart Consultants
- 6) Mary E. McAlister - David Nutt & Associates
- 7) Mary Ann Graham 414 Lee Ave. Suit Factory
- 8) Douglas C. Mercier - Atty.

Paul + Susie Kellum 412 Lee Ave

- 9) Jeff Swin - C.S.
10. Dorothy Edwards - 406 Lee Ave, C.S.
11. John M. Schwartz - 406 Lee Ave. C.S.
- 12) KENNETH JAMES FRAZZER - 405 LEE AVE

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FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

November 8, 2000

Doug G. Mercier, Esq.
357 Towne Center Boulevard
Suite 203
Ridgeland, MS 39157

Re: Kuhlman Electric Corporation's Crystal Springs remediation activity

Dear Mr. Mercier:

I am in receipt of the correspondence between you and Mr. Tom Lupo regarding remediation of your client's land. I feel it is necessary to express the view of the Mississippi Department of Environmental Quality (MDEQ). As I explained to you on the phone some weeks ago, when contamination is present, MDEQ looks first to the responsible party and then to the current owner or operator of the contaminated land to remediate the contamination.

As you are aware, contamination is present *not only* at the Kuhlman Electric Corporation (KEC) site but also on residential lands adjoining the plant. MDEQ recently issued an Order requiring KEC to delineate and remediate the contamination both onsite and offsite. KEC cannot, however, remediate the residential lands without first obtaining access to the property by the landowner. MDEQ does not have the authority to grant access to private land, but the Mississippi Commission on Environmental Quality could issue an order requiring your clients to provide reasonable access for environmental sampling purposes. I must caution you that if your clients refuse to grant access to KEC, BorgWarner, or their consultants, MDEQ will look to your clients, the landowners, to remediate their own property. MDEQ will not allow this remedial activity to be delayed and the contamination to remain in place while you and Mr. Lupo work out your differences. Obviously, your *recalcitrance in this matter* could expose your clients to significant environmental liability if your actions are deemed to have prolonged or increased any public health and safety risk posed by the contamination or if your actions are deemed to make your clients the "operator" of a "facility" or the "arranger" of the disposal of hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601 et seq.

Since MDEQ first became aware of the contamination, both BorgWarner and KEC have worked cooperatively with MDEQ to stabilize the site. MDEQ, BorgWarner, KEC, and the Mayor of Crystal Springs all believe that the first focus of the remediation should be the adjoining landowners. BorgWarner, KEC, and/or their consultants have routinely split samples with MDEQ. The results of the KEC samples have been consistent with the MDEQ lab's analysis.

Mr. Doug Mercier
November 8, 2000
Page Two

Since remediation of this site and the contaminated lands off-site must be conducted in conformance with federal and state standards and approved by MDEQ, all remedial activities, including taking samples intended for use in remedial design or remedial action, must be coordinated with MDEQ. It is not unreasonable for BorgWarner to want to verify the accuracy of the samples before they commence remediation. Therefore, in order to insure that the remediation is proceeding in accordance with law, please inform MDEQ before taking samples intended to be used in remedial design or remedial action so that MDEQ and BorgWarner may be present to obtain splits and verify results.

Although I certainly understand your desire to "preserve evidence," MDEQ cannot allow PCB contamination to remain unremediated while these misunderstandings between private parties are resolved. By denying access to properties for contaminant delineation and cleanup, runoff is further contaminating downgradient properties. *Once again, if your clients refuse to share sample results or refuse to grant access, thereby delaying these activities, MDEQ will be forced to issue an Order against the landowners requiring them to perform environmental response activities at their expense on their property and possibly on downgradient properties. MDEQ will oversee every aspect of this remediation and will make every effort to keep you and your clients informed.*

I would appreciate it if you and any other law firm you have associated with would copy me on all correspondence regarding the remediation activities at the KEC site. Also, please submit to Gretchen Zmitrovich and to Mr. Tom Lupo or Ms. Anastasia Hamel of BorgWarner a copy of the lab results of the samples that a consultant took on your client's behalf. I may be reached at 601-961-5340 if you have any questions.

Sincerely,



Kelli M. Dowell
Attorney

cc: Tom Lupo, Esq.
Scott Schang, Esq.
Anastasia Hamel
Gretchen Zmitrovich
Meg McAlister, Esq.

Writer's direct phone

312/269-8889

Writer's e-mail
tupa@seyfarth.com

November 6, 2000

Douglas G. Mercier, Esq.
357 Towne Center Boulevard
Suite 203
Ridgeland, Mississippi 39157

**Re: Kellums' property located at 412 Lee Avenue, Crystal Springs, Mississippi
Edwards' property located at 406 Lee Avenue, Crystal Springs, Mississippi**

Dear Mr. Mercier:

We are in receipt of your October 30, 2000 letter. We are sorry that you did not understand the substantive aspects of my October 26, 2000 letter and choose instead to resort to personal attacks. We will not do the same.

Rather, we provide the following, sometimes previously stated, information:

1. Contrary to your comments, BorgWarner was awaiting the identity of your consultant for the splitting of samples with BorgWarner and MDEQ. We clearly had reached agreement on this point. MDEQ reports that it was awaiting the same information. Instead, you proceeded without contacting either MDEQ or my client, which now delays the cleanup of various locations.
2. Your statement that independent sampling during the week of October 23, 2000 "certainly did not cause unreasonable delay on the cleanup process" is incorrect and misses the point. Had the parties conducted split sampling, remediation would have commenced immediately. You chose not to. Now we must await your consultant's sampling results to assure that, contrary to your pointed and baseless assertions concerning "attempt[s] to obfuscate the truth," the results are accurate and credible. If your results are at odds with both the MDEQ's and BorgWarner's sampling results, obviously further sampling will be necessary before remediation can proceed.

Douglas G. Mercier, Esq.
November 6, 2000
Page 2

3. BorgWarner is not focused on posturing for litigation. BorgWarner is focused on its remediation efforts, which have been stalled by your actions. While some may suggest that splitting samples with a prospective plaintiffs' counsel only serves to preserve evidence, BorgWarner nonetheless readily agreed to do so in an effort to advance the remediation. You declined.
4. Your comments concerning "re-contamination" of clean properties reflect innuendo and scare tactics as well as a lack of understanding of the facts and environmental remediation practices. Any activities conducted by BorgWarner on the Kuhlman plant property will apply standard regulatory agency-approved containment methods. This is vastly different than cleaning downgradient properties, only to allow your client's properties to re-contaminate them upon the first, following rain.
5. BorgWarner was considering the purchase of your clients' property.
6. Statements to the effect that BorgWarner polluted *anything*, is responsible for the spread of chemicals, or knew of the toxic contamination for a "substantial length of time," relative to the Kuhlman plant, all completely misstate the facts. As stated in our conversations and in my October 26, 2000 letter, BorgWarner has never owned or operated the Kuhlman Electric plant and only recently learned of the contamination. The Kuhlman Electric plant was part of the Kuhlman Electric subsidiary of a company which BorgWarner purchased just last year. BorgWarner sold subsidiary and plant a mere nine months later, without knowledge of the contamination. As part of the sale, BorgWarner provided a contractual indemnity for possible contamination, which KEC's current corporate and plant management expressly represented did not exist.

Once informed of the contamination on the KEC plant property, BorgWarner IMMEDIATELY began working with MDEQ and after sampling on the premises and instituting extensive containment measures, began investigating the possibility of run off to the neighboring residences. Shortly, BorgWarner scheduled cleanup activities and worked through MDEQ and the local government to inform citizens and arrange access. This work commenced in mid-October and continues where unobstructed by developments.

Douglas G. Mercier, Esq.
November 6, 2000
Page 3

Accordingly, the sooner you can share your sampling results, the sooner MDEQ and BorgWarner may determine how to proceed.

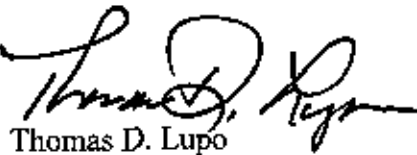
No one disputes your clients' right to sample their own property. Rather, BorgWarner proposed a sensible approach to gain the sought-after information. Instead, you choose a response premised on posturing, adversity and the building of lawsuits rather than proceeding cordially and progressively, as you had initially inferred. While you state that lines of communication remain open, the posturing, rumor, innuendo and scare tactics reflected throughout your letter raise serious doubts that continued discussions will receive anything other than a further, uncontrolled response.

Again, BorgWarner is extremely disappointed that the cleanup and the restoration of your clients' properties cannot proceed as scheduled due to your intervening course of action. BorgWarner will focus its efforts on working through MDEQ toward the prompt resolution of these issues, unless and until you propose and commit to a productive approach.

Very truly yours,

SEYFARTH SHAW

By:


Thomas D. Lupo

TDL:cyn
Enclosures
10178873.1

cc: Anastasia Hamel
Scott E. Schang, Esq.
Gretchen Zmitrovitch
Kelly Dowell, Esq.



FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

MEMORANDUM

To: Kuhlman Electric Corp. File
Crystal Springs, Copiah County, MS

From: Gretchen Zmitrovich *GZ*

Date: November 1, 2000

Subject: conversation with attorneys

On October 31, 2000, Meg McAlister, Hal Barkley, and Doug Mercier reviewed the above referenced file. While in the office, they asked to speak to me concerning the site. They had questions concerning the specific Arochlor detected on site. The initial analysis by Mississippi Analytical Laboratories detected Arochlor 1268. All other laboratories who have analyzed samples from the site and adjacent properties have detected Arochlor 1260 and Arochlor 1262. I told them a conference call was being conducted that morning with representatives from BorgWarner's labs (both on-site and Paradigm), MDEQ's lab, and the Mississippi Analytical Laboratories to discuss the issue.

We also discussed the October 27, 2000, correspondence from Tom Lupo. Mr. Mercier expressed concerns about the statement that the collection of samples on his clients' properties by a third party consultant without the MDEQ or BorgWarner having the opportunity to collect split samples would delay the remediation. I stated that MDEQ had discussed the issue with BorgWarner and agreed that remediation on these properties should be put on hold until the third party sample results were obtained. I stated that a potential problem could arise if their samples showed different levels than BorgWarner's and the MDEQ's. He stated that if BorgWarner had confidence in their data and took samples during remediation that there should not be a question about the results. I stated that BorgWarner did have confidence in their data but if they removed the soil and then the third party's data showed different levels, there would not be any soil to retest. Ms. McAlister stated that if different levels were detected, they would be willing to resample with MDEQ and BorgWarner splitting the samples. Mr. Mercier stated that he did not

see a problem regardless of the results because any level about 1 ppm would be remediated. I stated that a problem could arise if their results came back above 50 ppm; EPA would have to be involved and a different disposal method would have to be chosen. Ms. McAlister stated that the results were expected by the end of the week and would be submitted to us shortly thereafter.

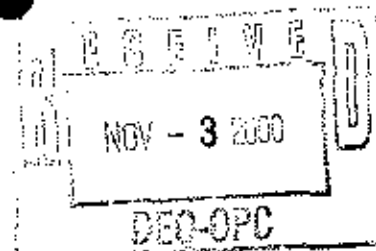
Ms. McAlister also stated that the attorney's had hired a consultant who would be in town the following week to get a proposal together for the residential properties along the drainage pathways. I informed her that BorgWarner was beginning to delineate the properties that afternoon. She stated that they have clients along the ditch, and I told her that the property owners had given their permission for sampling. I also told her that we had not received notification that any of the property owners were represented. The discussion ended shortly afterward.

AH-00-1631

VIA UPS NEXT DAY AIR

October 31, 2000

Mr. Jerry Banks
Chief - Hazardous Waste Division
Mississippi Department of Environmental Quality
101 West Capitol Street
Jackson, Mississippi 39201



BorgWarner

Anastasia Hamel
Director, Environmental Programs
BorgWarner Inc.
11955 East Nine Mile Road
Warren, Michigan 48089

FILE COPY

Re: Kuhlman Electric Corporation's Crystal Springs, Mississippi Plant

Dear Mr. Banks:

This letter addresses our numerous conversations of the past several months concerning BorgWarner Inc.'s (f/k/a Borg-Warner Automotive, Inc.) and Kuhlman Corporation's (collectively "BorgWarner") current and intended investigation and remediation activities relative to the Kuhlman Electric Corporation ("KEC") plant site in Crystal Springs, Mississippi ("KEC Plant"). Given the fast and frequent developments surrounding the KEC Plant and BorgWarner's efforts, we believe an update is appropriate.

As further detailed in the July 2000 Preliminary Site Characterization Report ("Preliminary Report"), submitted on behalf of BorgWarner Inc. and KEC, the subject site was constructed and has been operated by KEC and its predecessors since the 1950s, manufacturing electrical transformers. BorgWarner Inc. purchased Kuhlman Corporation, the former parent of KEC, in March 1999. The KEC plant was sold a mere nine months later, when BorgWarner closed its sale of KEC to the Carlyle Group and its affiliates the "Transaction".

BorgWarner and KEC are completely independent and unaffiliated companies and BorgWarner possesses only publicly available information about the KEC plant's operations. Neither BorgWarner nor the present Kuhlman Corporation has ever directly owned or operated the KEC Plant.¹ Rather, as part of the Transaction, BorgWarner provided a contractual

¹ BorgWarner understands that MDEQ has been informed that Kuhlman Corporation once owned and/or operated the KEC plant. This is not accurate. A former Michigan corporation, also named Kuhlman Corporation ("Old Kuhlman"), was perhaps more closely related to the plant at issue. However, Old Kuhlman was merged into the newly formed Kuhlman Electric Corporation in 1993. A new Kuhlman Corporation, a Delaware corporation, was formed as a holding company for KEC and other business entities. Accordingly, the new Kuhlman Corporation purchased by BorgWarner in 1999 has never directly owned and/or operated the KEC plant.

indemnity for environmental conditions existing *on or prior to* the closing date. To the extent that contamination occurred after the closing date, or subsequent activities by KEC, its employees, contractors or agents caused the disruption or loss of control of any pre-closing contamination, or a change or movement of the hazard, BorgWarner's indemnity does not apply.

When KEC reported that construction activities revealed the subject contamination, BorgWarner promptly and voluntarily commenced, with the cooperation of KEC, MDEQ and local government, its investigation into the pre-closing environmental conditions at the KEC facility and the adjacent properties. BorgWarner established a presence at the KEC plant, including an on-site laboratory, and began substantial sampling activities. BorgWarner organized and made initial assessments of the information collected to date, including the Preliminary Report submitted to MDEQ. BorgWarner continued in this thorough and expensive undertaking by assessing and commencing the remediation of the neighboring residences.

BorgWarner appreciates the positive and logical working relationship with the MDEQ to date, despite circumstances which clearly hold great potential for adversity. BorgWarner is committed to working closely with MDEQ, U.S. EPA and local government in a cooperative manner to accomplish the tasks necessary to the protection of human health and the environment, to the extent that the circumstances are covered by its contractual indemnity to KEC. BorgWarner will continue to discuss its intended activities with MDEQ and to promptly share information.

ACTIONS TAKEN AND PLANNED

Residential and Commercial Properties

BorgWarner promptly and voluntarily undertook sampling and delineation activities at the KEC plant and all adjoining residential and commercial properties that appear to or reportedly have been affected by runoff or by the removal of soil from the KEC plant prior to October 6, 1999. The results were submitted to the MDEQ and it is to our understanding that the MDEQ has forwarded the results to the respective homeowners.

BorgWarner has acted under the continuous guidance and direction of the MDEQ with respect to delineation and intended remediation activities at the residential and commercial properties. Split samples are analyzed and QA/QC procedures are implemented by two laboratories experienced with polychlorinated biphenyl analysis. Further, the samples are frequently split with on site MDEQ representatives for MDEQ's independent analysis, which to our knowledge consistently correlates with the on-site and off-site laboratory analytical results. MDEQ and U.S. EPA have stated that the residential soils, to the extent that the contamination levels do not exceed 10 parts per million (ppm) polychlorinated biphenyls ("PCBs"), may be permanently deposited on the KEC plant site if ultimately placed under concrete or asphalt.

BorgWarner also is willing to conduct sampling activities at further properties where credible information shows the deposition of soils from the KEC plant prior to October 6, 1999. Few further sites have been identified and BorgWarner is awaiting further related information.

As further discussed below, a group of third-parties has taken steps which interfere with MDEQ's and BorgWarner's efforts. Because of this development, the timing of further activities concerning the remediation and restoration of off site properties is uncertain and appears likely to be deferred.

KEC Plant

After an initial phase of sampling in the areas identified with KEC's construction activities and the related equipment decontamination zone, BorgWarner returned and conducted further, substantial sampling activities in the south and north parking lot areas as well as the former above ground storage tank area. These delineation activities, other than any possible data gaps, have been completed. The results are currently being tabulated and compared for correlation purposes between the on-site and off-site laboratories, prior to being issued to MDEQ. Should any data gaps exist, BorgWarner will conduct further sampling activities.

Drainage Pathways

BorgWarner is aware of the drainage pathways provided by the drainage ditch currently leading to Lake Chautauqua and related to stormwater that may have run off the KEC plant in a southerly direction. As stated above, BorgWarner already has performed delineation activities at the suspected storm water runoff areas. BorgWarner has commenced the horizontal and vertical delineation at the residential properties adjoining the drainage ditch now that access has been arranged by the joint efforts of Crystal Springs Mayor Hugh Webb, MDEQ and BorgWarner. Unfortunately, it is anticipated that the activities of the third-parties are likely to interfere with this effort.

BorgWarner is not aware of additional drainage pathways, historic or otherwise.

Lake Chautauqua

BorgWarner intends to delineate the sediments at Lake Chautauqua, prepare an ecological assessment, and conduct surface water sampling, to the extent appropriate upon receipt of the pending "Task Force" report. As we have discussed, these activities will not begin on any great scale until the Task Force report is evaluated and the primary source area, the KEC plant property, and adjacent and affected residences, have been remediated.

Groundwater Delineation

BorgWarner also intends to delineate the nature and extent of any groundwater contamination relative to the KEC plant. Groundwater delineation will take place at the time that remediation at the KEC plant commences. It is critical not to disturb the protective cover at the site and to leave the groundwater endeavor until BorgWarner is actively remediating on the KEC plant property. This approach will ensure that sediments from the KEC Plant do not travel to the ditch and the lake.

As you are aware, BorgWarner's sampling activities to date have not identified evidence of an underground aquifer.

AKT Gravel Pit

As we have discussed, BorgWarner's contractual indemnity to KEC does not cover the AKT gravel pit. Rather, the circumstances at the AKT gravel pit occurred after BorgWarner had sold KEC.

BorgWarner understands that materials collected by KEC from its employees' homes and the AKT Gravel Pit are staged in rolloff containers at the KEC plant. Both Craig Brown, of U.S. EPA, and MDEQ representatives, have stated that no regulatory deadlines will apply to KEC's rolloffs during the cleanup, and that that these materials as well as materials from properties adjacent to the KEC Plant, to the extent that sampling reveals contamination levels that do not exceed 10 ppm PCBs, may be returned to the KEC plant site and reclaimed as fill material, if placed under concrete or asphalt.

FURTHER RELEVANT TOPICS

BorgWarner neither possesses knowledge nor has access to information concerning the following topics:

- The chemicals historically and currently in use on site and their related storage and management methods, except as set forth in the Report.
- Whether KEC historically remanufactured or currently remanufactures transformers at the Crystal Springs facility.
- The removal of any soils from the KEC plant at any time, whether during construction activities or otherwise. This information would be helpful to BorgWarner in its efforts to address pre-October 1999 soil removal events.
- Plant improvements or regrading that may have affected surface gradients.

- The removal of contaminated soils from the KEC plant by KEC's employees and KEC's efforts to remediate locations impacted by these removal activities, except as may be provided by KEC to MDEQ and U.S. EPA.

Activities by Unidentified Consultant during MDEQ-Directed Response Activities

As you are aware, an unidentified consultant has undertaken what appears to be sampling activities at properties neighboring the KEC plant property. We understand that these activities may continue along the drainage ditch leading to Lake Chautauqua. We previously were informed that to the extent that certain third-parties sought to conduct sampling activity on properties arguably affected by the circumstances at the KEC plant property, the parties would conduct split sampling with MDEQ and BorgWarner. In particular, we received October 17, 2000 correspondence from a Douglas J. Mercier, counsel for the Kellums and the Edwards, on this point. We have since learned that the unidentified consultant has conducted sampling activities on the Kellums' and Edwards' premises and many others without notice to BorgWarner, KEC, and MDEQ. We are informed that the Nutt Law Firm has commissioned these activities, but are not certain.

First, the involvement of these law firms and the unidentified consultant is troubling in a number of respects. This unidentified consultant is performing sampling activities in the midst of MDEQ-directed sampling and remediation efforts. Second, the sampling activities of this consultant are independent of MDEQ, and may later be used to question the quality of the sampling and the integrity of this MDEQ-directed remediation effort. Third, they are interfering with aspects of the commissioned remediation crews' activities, and adding tension to an otherwise progressing activity and have already greatly delayed the remediation and restoration efforts scheduled for certain properties in order to protect human health and the environment.

As we have discussed, BorgWarner will continue to address those properties for which access has been arranged by MDEQ's and the Mayor's assistance and where an attorney and/or the independent consultant are not involved. To the extent any sampling has or is believed to have been conducted on a property by an independent consultant, we understand that MDEQ agrees that it makes little sense to proceed with the scheduled remediation activities until both MDEQ and BorgWarner are assured that all sampling activities have been completed and the results are evaluated and perhaps challenged by further sampling. To allow otherwise will invite these third-parties to question the quality of the tightly quality-controlled MDEQ and BorgWarner sampling procedures and results as well as MDEQ's management of this project.

We trust that the MDEQ will take the necessary steps to collect any and all sampling event and analysis information from each of the residential property owners so that this important project can proceed. As stated above, to allow otherwise would position non-participants to challenge the integrity and progress of this project.

BorgWarner seeks to continue the open communication with MDEQ. Further, BorgWarner will seek to regularly meet with and to keep the Office of the Mayor of Crystal Springs both informed and up-to-date with its accomplishments and current and intended activities.

Should you have any questions or comments concerning this letter, please contact me directly at (810) 497-4503 at your earliest convenience.

Very truly yours,



Anastasia Hamel
Director, Environmental Programs
BorgWarner Inc.

cc: T. Russell, MDEQ
G. Zmitrovich, MDEQ ✓
K. Dowell, Esq. MDEQ
C. Brown, US EPA
H. Webb, Mayor Crystal Springs
Laurene H. Horiszny, Esq.
Thomas D. Lupo, Esq.
Robert Martin, M&S
Scott E. Schang, Esq.
Thomas M. Minnich, CFO
Al Thomas

DAVID NUTT & ASSOCIATES **FILE COPY**



FACSIMILE TRANSMITTAL SHEET

TO: *Gretchen Zmitrovich* FROM: *Meg McAlister*
 COMPANY: *MDEP* DATE: *11-1-00*
 FAX NUMBER: *354-6356* TOTAL NO. OF PAGES INCLUDING COVER: *3*
 RE: *Kuhlman Electric/Borg Warner* SENDER'S DIRECT NUMBER:
 CC: *Harold Barkley, Jr. - 355-8544* *Dr. P. Bedient -*
Doug Merciel - 206-1612 *(713) 348 5239*

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY

NOTES/COMMENTS:

see attached tel

The original ~~will~~ be sent via United Postal Service.

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please notify us immediately by telephone and return this original message to us at the address above via the United Postal Service. Thank you.

DAVID NUTT & ASSOCIATES
ATTORNEYS AT LAW
666 NORTH STREET, SUITE 105A
JACKSON, MISSISSIPPI 39202

FILE COPY

DAVID H. NUTT
MARY E. MCALISTER



MAIN NUMBER: (601) 355-9122
FAX NUMBER: (601) 355-9191

Writer's E-mail Address: maryemc@bcllsouth.net

November 1, 2000

VIA FACSIMILE ONLY: 354-6356

Ms Gretchen Zmitrovich
Mississippi Dept. of Environmental Quality
Post Office Box 20305
Jackson, MS 39289

Re: Kuhlman Electric Corporation/BorgWarner
MSD008188724
Crystal Springs, Copiah County, MS

Dear Ms Zmitrovich:

We confirm Doug Mercier's and my discussion with you yesterday, October 31, 2000, during which you advised that BorgWarner/Kuhlman does not have a written field sampling plan and that MDEQ is not requiring submission of a written plan in connection with the above referenced site. We also confirm that BorgWarner began soil sampling yesterday afternoon along with drainage ditch that connects the site to Lake Chatauqua.

Please advise us of MDEQ's requirements for us to split samples with BorgWarner and MDEQ. We have not made a final decision as to whether or not to split samples but want to be prepared in the event we decide to do so. In reliance on your statement yesterday that all sampling is being conducted under the supervision and approval of MDEQ, we assume that we need not contact BorgWarner to ascertain its requirements to split samples, that we can arrange for and coordinate sampling activities with your office, and that MDEQ will instruct BorgWarner to cooperate with our environmental consultants to split samples. Our consultants are highly qualified, experienced, and will not delay or impede BorgWarner's or MDEQ's activities.

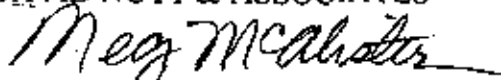
We do request a copy of the health and safety plan approved by MDEQ in conjunction with BorgWarner's sampling, if one exists, for review by our consultants. During our F.O.I. review yesterday of the MDEQ files, we found no such document. Please advise whether a written health and safety plan exists or whether it, like the Field Sampling Plan, is merely a verbal understanding between MDEQ and BorgWarner. If a written plan has been submitted to MDEQ, it was not made available to us despite our request to review all MDEQ files and documents in their entirety.

Ms Gretchen Zmitrovich
November 1, 2000
Page 2

If the foregoing is incorrect in any regard, please contact us immediately. We look forward to your response and thank you for your assistance.

Sincerely yours,

DAVID NUTT & ASSOCIATES



Mary E. McAlister

Cc: Harold J. Barkley, III, Esquire – via e-mail only
Harold J. Barkley, Jr., Esquire – via fax only
Mark Pearson, Esquire – via e-mail only
Doug Mercier, Esquire – via fax only
Randy Horsak – via e-mail only
Philip Bedient – via fax only

FACSIMILE COVER SHEET

FILE COPY

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

55 East Monroe, Suite 4200, Chicago, Illinois 60603
Telephone (312) 346-8000 Facsimile (312)269-8869

PLEASE DELIVER THIS TRANSMISSION TO:

NAME: Kelly Dowell

FIRM: _____

FACSIMILE NUMBER: _____

TELEPHONE NUMBER: _____

FROM: Thomas D. Lupo

REGARDING: _____

DATE: 10/31/00

TOTAL PAGES: 26

(including Cover Sheet)

- HARD COPY TO FOLLOW
- PER YOUR REQUEST
- PLEASE REVIEW AND MAKE NECESSARY CHANGES
- PLEASE REVIEW AND ADVISE
- PLEASE TELEPHONE ME

ADDITIONAL MESSAGE:

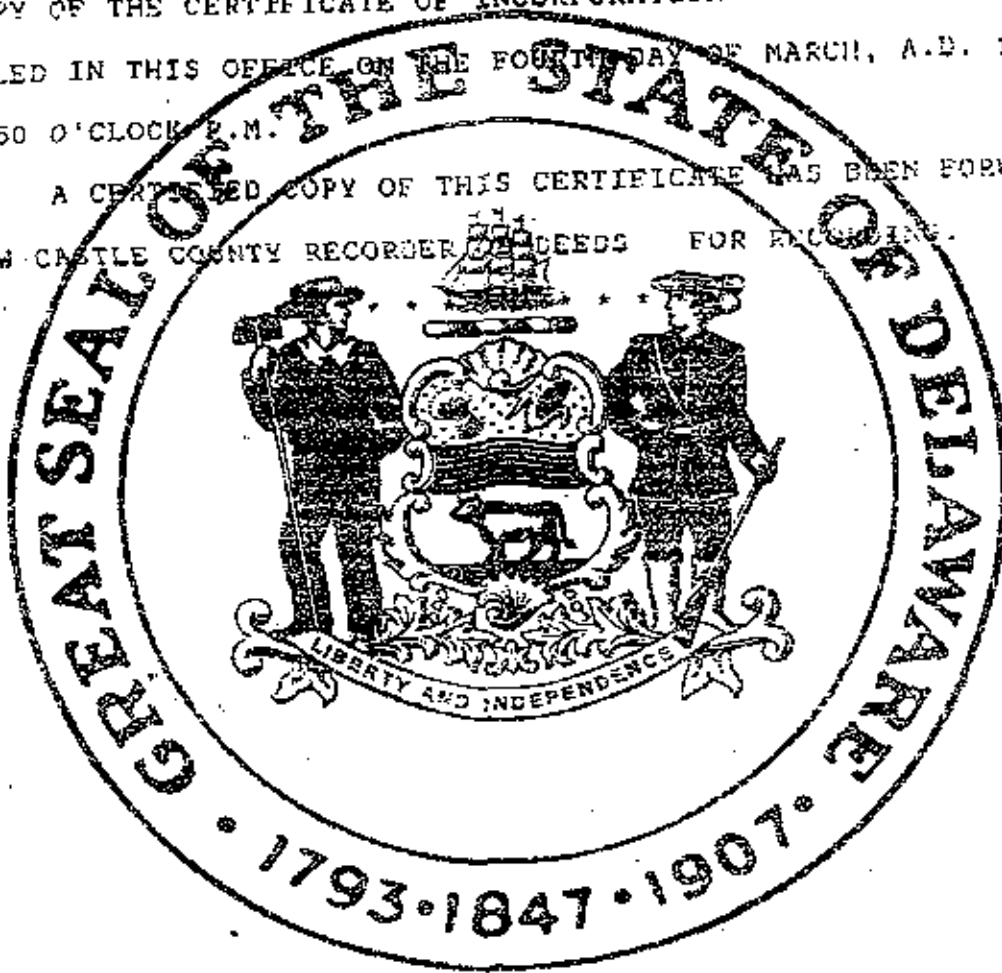
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PLEASE CALL (312) 346-8000 EXT. 3179 REGARDING ANY PROBLEMS

State of Delaware
Office of the Secretary of State

I, WILLIAM T. QUILLEN, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "RUHLMAN CORPORATION" FILED IN THIS OFFICE ON THE FOURTH DAY OF MARCH, A.D. 1993, AT 1:50 O'CLOCK P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.



William T. Quillen

William T. Quillen, Secretary of State

AUTHENTICATION:

DATE:

SEYFARTH ATTORNEYS SHAW

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October 30, 2000

PRIVILEGED AND CONFIDENTIAL

VIA FACSIMILE (601) 961-5300

Kelly Dowell, Esq.
Mississippi Department of Environmental Quality
P. O. Box 10385
Jackson, Mississippi 39389-0385

Re: **Mississippi Department of Environmental Quality's
Draft Order to KEC**

Dear Kelly:

As we discussed, BorgWarner Inc. understands that the Mississippi Department of Environmental Quality ("MDEQ") has been informed that the current Kuhlman Corporation once owned and/or operated the Kuhlman Electric Corporation ("KEC") plant. This is not accurate.

The former Kuhlman Corporation, a Michigan corporation, ("Old Kuhlman"), was perhaps more closely related to the plant at issue. However, Old Kuhlman was merged into the newly formed KEC, the plant's owner, in 1993. A new Kuhlman Corporation, a Delaware corporation, ("New Kuhlman") was formed as a holding company for KEC and other business entities. BorgWarner purchased the New Kuhlman in 1999. The New Kuhlman purchased by BorgWarner in 1999 has never directly owned and/or operated the KEC plant.

In support of these statements, we have attached the following documents:

1. June 9, 1993 Notice of Annual Meeting of Stockholders;
2. April 27, 1993 Proxy Statement-Prospectus of New Kuhlman Corporation, a Delaware corporation ("New Kuhlman").

ATLANTA BOSTON CHICAGO HOUSTON LOS ANGELES NEW YORK SACRAMENTO SAN FRANCISCO WASHINGTON, D.C. BRUSSELS

SEYFARTH
ATTORNEYS **SHAW**

Kelly Dowell, Esq.
October 31, 2000
Page 2

3. Minutes of Annual Meeting of Stockholders, Kuhlman Corporation, dated June 9, 1993;
and,
4. Certificate of Incorporation of New Kuhlman Corporation, dated June 30, 1993.

If this does not resolve this issue or you wish to discuss this corporate history further, please feel free to contact me.

Very truly yours,

SEYFARTH SHAW

By:



Thomas D. Lupo

TDL:cyn
Enclosures
10178494.1

cc: Stephanie C. Bransfield, Esq. (via facsimile)
Scott E. Schang, Esq.

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**CERTIFICATE OF INCORPORATION
OF
KUHLMAN CORPORATION**

First: The name of the corporation is Kuhlman Corporation (the "Corporation").

Second: The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the registered agent of the Corporation at that address is The Corporation Trust Company.

Third: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

Fourth: The total number of shares of all classes of stock which the Corporation shall have authority to issue is as follows:

(A) 2,000,000 shares of Preferred Stock of the par value of \$1.00 per share (the "Preferred Stock"); and

(B) 10,000,000 shares of Common Stock of the par value of \$1.00 per share (the "Common Stock").

The designations, voting powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions of the above classes of stock and other general provisions relating thereto shall be as follows:

PART I

PREFERRED STOCK

1. The Board of Directors is expressly authorized at any time, and from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, and for such consideration or considerations as the Board of Directors may determine, with such voting powers, full or limited, or without voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue thereof adopted by the Board of Directors, all except as otherwise required by law or this Certificate of Incorporation, and including but without limiting the generality of the foregoing, the following:

(a) The distinctive designation and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors.

(b) The dividend rate or rates on the shares of such series and the relation which such dividends shall bear to the dividends payable on any other class of capital stock or on any other series of Preferred Stock, the terms and conditions upon which and the periods in respect of which dividends shall be payable, whether and upon what conditions such dividends shall be cumulative and, if cumulative, the date or dates from which dividends shall accumulate.

(c) Whether the shares of such series shall be redeemable, and, if redeemable, whether redeemable for cash, property or rights, including securities of any other corporation, at the option of either the holder or the Corporation or upon the happening of a specified event, the limitations and restrictions with respect to such redemption, the time or times when, the price or prices or rate or rates at which, the adjustments with which and the manner in which such shares

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shall be redeemable, including the manner of selecting shares of such series for redemption if less than all shares are to be redeemed.

(d) The rights to which the holders of shares of such series shall be entitled, and the preferences, if any, over any other series (or of any other series over such series), upon the voluntary or involuntary liquidation, dissolution, distribution or winding up of the Corporation, which rights may vary depending on whether such liquidation, dissolution, distribution or winding up is voluntary or involuntary, and, if voluntary, may vary at different dates.

(e) Whether the shares of such series shall be subject to the operation of a purchase, retirement or sinking fund, and, if so, whether and upon what conditions such purchase, retirement or sinking fund shall be cumulative or noncumulative, the extent to which and the manner in which such fund shall be applied to the purchase or redemption of the shares of such series for retirement or to other corporate purposes and the terms and provisions relative to the operation thereof.

(f) Whether the shares of such series shall be convertible into or exchangeable for shares of any other class or of any other series of any class of capital stock or other securities of the Corporation, or the securities of any other corporation or entity, and, if so convertible or exchangeable, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of such conversion or exchange.

(g) The voting powers, full and/or limited, if any, of the shares of such series, and whether and under what conditions the shares of such series (alone or together with the shares of one or more other series) shall be entitled to vote separately as a single class, upon any merger or consolidation or other transaction of the Corporation, or upon any other matter, including without limitation the election of one or more additional directors of the Corporation in case of dividend arrearages or other specified events.

(h) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance, or as to the powers, preferences or rights of any such other series.

(i) Any other preferences, privileges and powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of this Certificate of Incorporation.

2. All shares of Preferred Stock of any one series shall be of equal rank and identical in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon, if cumulative, shall be cumulative.

PART II

SERIES A PREFERRED STOCK

1. *Designation and Amount.* There is hereby established a series of Preferred Stock of the Corporation designated as "Junior Participating Preferred Stock, Series A" (the "Series A Preferred") and the number of shares constituting such series shall be 75,000.

2. *Dividends and Distributions.*

(A) Subject to the prior and superior rights of the holders of any series of Preferred Stock ranking prior and superior to the shares of Series A Preferred with respect to dividends, the holders of shares of Series A Preferred, in preference to the holders of Common Stock of the Corporation and of any other shares ranking junior as to dividends to the Series A Preferred, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June,

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September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$10.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date, and the next subsequent Quarterly Dividend Payment Date, a dividend of \$10.00 per share on the Series A Preferred shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Preferred, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue and be cumulative from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

3. Voting Rights. The holders of shares of Series A Preferred shall have the following voting rights:

(A) Each one-hundredth of a share of Series A Preferred shall entitle the holder thereof to one vote on all matters submitted to a vote of the stockholders of the Corporation.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

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4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, or make any other distributions on, any shares ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred;

(ii) declare or pay dividends on or make any other distributions on any shares ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred, except dividends paid ratably on the Series A Preferred and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred, provided that the Corporation may at any time redeem, purchase or otherwise acquire any such junior shares in exchange for any shares of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Preferred, or any shares ranking on a parity with the Series A Preferred, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

5. Rescquired Shares. Any shares of Series A Preferred purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred unless, prior thereto, the holders of shares of Series A Preferred shall have received \$100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock, or (2) to the holders of shares ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred, except distributions made ratably on the Series A Preferred and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or affect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by

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reclassification or otherwise than by payment of a dividend in Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

7. **Consolidation, Merger, etc.** In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other shares or securities, cash and/or any other property, then in any such case the shares of Series A Preferred then outstanding shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of shares, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

8. **No Redemption.** The shares of Series A Preferred shall not be redeemable. However, the Corporation may acquire shares of Series A Preferred in any manner permitted by law, the provisions hereof and the Certificate of Incorporation of the Corporation.

9. **Rank.** The Series A Preferred shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of such other series specify to the contrary.

10. **Amendment.** The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred so as to affect them adversely without the affirmative vote of the holders of two-thirds of the outstanding shares of Series A Preferred, voting together as a single class.

PART III

COMMON STOCK

1. Except as otherwise required by law or by this Certificate of Incorporation, each holder of Common Stock shall have one vote for each share of Common Stock held by a holder on all matters voted upon by the holders of Common Stock.

2. Subject to the preferential dividend rights, if any, applicable to shares of Preferred Stock and subject to applicable requirements, if any, with respect to the setting aside of sums for purchase, retirement or sinking funds for Preferred Stock, the holders of Common Stock shall be entitled to receive, to the extent permitted by law, such dividends as may be declared from time to time by the Board of Directors.

3. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of Common Stock shall be entitled, after payment or provision for payment of the debts and other liabilities of the Corporation and the amounts to which the holders of any Preferred Stock shall be entitled, to share ratably in the remaining net assets of the Corporation.

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PART IV

GENERAL PROVISIONS

1. Subject to the power of the Board of Directors to provide to the contrary with respect to any one or more series of Preferred Stock at any time authorized, no holder of stock of any class of the Corporation shall be entitled as a matter of right to purchase or subscribe for any part of any unissued stock of any class, or of any additional stock of any class of capital stock of the Corporation, or of the bonds, certificates of indebtedness, debentures, or other securities, whether or not convertible into other securities, but any such stock or other securities may be issued and disposed of pursuant to resolution by the Board of Directors to such persons, firms, corporations or associations and upon such terms and for such consideration (not less than the par value or stated value thereof) as the Board of Directors in the exercise of its discretion may determine and as may be permitted by law without action by the stockholders. The Board of Directors may provide for payment therefor to be received by the Corporation in cash, personal property, real property (or leases thereof) or services. Any and all shares of stock so issued for which the consideration so fixed has been paid or delivered, shall be deemed fully paid and not liable to any further call or assessment.

2. Shares of any class or series of capital stock redeemed, converted, exchanged, purchased, retired or surrendered to the Corporation, or which have been issued and reacquired in any manner may, upon compliance with any applicable provisions of the Delaware General Corporation Law, be given the status of authorized and unissued shares of the same class.

Fifth: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

A. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Certificate of Incorporation or the by-laws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

B. The directors of the Corporation need not be elected by written ballot unless the by-laws so provide.

C. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

D. Special meetings of stockholders of the Corporation may be called only by the Chief Executive Officer or by the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board. For purposes of this Certificate of Incorporation, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

Sixth: The Board of Directors is expressly empowered to adopt, amend or repeal by-laws of the Corporation. Any adoption, amendment or repeal of the by-laws of the Corporation by the Board of Directors shall require the approval of a majority of the Whole Board. The stockholders shall also have power to adopt, amend or repeal the by-laws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate of Incorporation, the affirmative vote of the holders of at least seventy percent (70%) of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote generally in elections of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the by-laws of the Corporation.

Seventh: A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for

THE LAWS OF THE STATE OF

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any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Eighth: The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation.

Ninth: The incorporator is Kuhlman Corporation, a Michigan corporation, whose mailing address is 2343 Alexandria Drive, Suite 200, Lexington, Kentucky 40504.

THE UNDERSIGNED incorporator hereby acknowledges that this Certificate of Incorporation is its act and deed and that the facts herein stated are true.

Dated: March 1, 1993

KUELMAN CORPORATION,
a Michigan corporation

BY: 
Robert S. Jepsen, Jr.
President and Chief
Executive Officer

UNDER THE LAWS OF THE STATE OF

**ANNUAL MEETING OF STOCKHOLDERS
KUHLMAN CORPORATION
JUNE 9, 1993**

The Annual Meeting of Stockholders of Kuhlman Corporation was held at The Plantation Club, 1 Cottonwood Drive, Savannah, Georgia, on June 9, 1993 at 9:30 a.m., local time, pursuant to a Notice of Annual Meeting of Stockholders dated April 27, 1993. A copy of the Notice of Meeting and Proxy Statement is attached hereto and made a part of the minutes of this meeting. Also attached hereto and made a part of the minutes of this meeting are the affidavits of Ernest J. Peck and Donald E. Kleckner of NBD Bank, N.A., the Corporation's transfer agent, certifying as to the mailing of the Notice of Meeting, Proxy Statement, Proxy, and Annual Report.

Robert S. Jepson, Jr., President and Chief Executive Officer of the Corporation, acted as Chairman of the meeting and called the meeting to order. Richard A. Walker, Executive Vice President, General Counsel and Secretary of the Corporation, acted as Secretary of the meeting.

Mr. Jepson announced that the purposes of the meeting were as stated in the Notice. He then introduced the members of the Board of Directors of the Corporation who were present at the meeting, identifying Steve Cenko, John L. Marcellus, Jr. and himself as candidates for re-election at the meeting, and William E. Burch, William M. Kearns, Jr., and Robert D. Kilpatrick as candidates for election at the meeting.

Also present was Travis Storey, representing Arthur Andersen & Co., the Corporation's independent auditors. A list of those who signed in at the meeting is included in the Secretary's papers supporting the minutes of this meeting.

The Secretary reported that of the 5,899,105 shares of Common Stock of the Corporation outstanding and entitled to vote at the close of business on April 19, 1993, the record date established by the Board of Directors, there were 4,772,907 shares represented at the meeting in person or by proxy, equivalent to approximately 80.9% of the outstanding shares eligible to vote. The number of shares represented was certified by Ernest J. Peck of NBD Bank, N.A., Inspector of Election appointed by the Corporation, whose report is attached hereto and made a part of the minutes of the meeting.

Mr. Jepson stated that since there was more than a majority of the outstanding shares of Common Stock represented, a quorum was present and it was in order to proceed with the business of the meeting.

On motion duly made, seconded, and carried, the reading of the Notice of Meeting and Affidavit of Mailing was waived. Also on motion duly made, seconded, and carried, the reading of the minutes of the previous year's annual stockholders' meeting was waived.

Mr. Jepson stated that the first order of business to be acted upon was the election of three directors for a term of three years to fill places made vacant due to terms of office now expiring, as well as one director to serve a term of two years, and two directors to serve a term of one year, all as described on pages 15 through and including 18 of the Proxy Statement of the Corporation dated April 27, 1993. The Chairman then asked for nominations

for directors to serve for the terms specified, whereupon the following were nominated:

Steve Cenko - for a term of three years (until 1996)
Robert S. Jepson, Jr. - for a term of three years (until 1996)
John L. Marcellus, Jr. - for a term of three years (until 1996)
William E. Burch - for a term of two years (until 1995)
William M. Kearns, Jr. - for a term of one year (until 1994)
Robert D. Kilpatrick - for a term of one year (until 1994)

There were no other nominations.

It was then duly moved and seconded that all nominations for directors be closed and the Secretary be directed to cast a ballot for the election of directors as nominated. There being no discussion, this motion was carried. Whereupon, the nominations were closed, and Messrs. Cenko, Jepson, Marcellus, Burch, Kearns, and Kilpatrick were elected to serve for the terms as earlier stated, or until their successors are elected.

Mr. Jepson stated that the next item of business was to approve the Agreement and Plan of Merger, a copy of which was attached as Appendix A to the Proxy Statement of the Corporation dated April 27, 1993, and which was described on pages 2 through and including 13 of that proxy statement. He noted that the proposed restructuring of the Corporation will provide for a parent holding company structure, with the parent company, Kuhlman Corporation, and subsidiary, Kuhlman Electric Corporation, being Delaware Corporations. Whereupon this proposal was duly moved and seconded. There being no discussion, the motion carried.

Mr. Jepson stated that the next item of business was to approve a proposal to amend the Corporation's 1986 Stock Option Plan to increase the number of shares of the Corporation's Common Stock which may be issued thereunder. He noted that this was described on pages 24, 25, and 26 of the Proxy Statement of the Corporation dated April 27, 1993. Whereupon this proposal was duly moved and seconded. There being no discussion, the motion carried.

Mr. Jepson stated that the next item of business was a proposal to approve a Non-Employee Directors Stock Plan. He noted that this was described on pages 26, 27, and 28 of the Proxy Statement of the Corporation dated April 27, 1993. Whereupon this proposal was duly moved and seconded. There being no discussion, the motion carried.

Mr. Jepson stated that the next item of business was to ratify the selection of independent auditors of the Corporation for the year 1993. He stated that upon recommendation of the Audit Committee, the Board of Directors had appointed Arthur Andersen & Co. to act in this capacity. Whereupon, it was duly moved and seconded that the appointment of Arthur Andersen & Co. to serve as the Corporation's independent auditors for the year ending December 31, 1993, be ratified and approved. There being no discussion, the motion was carried.

Mr. Jepson then introduced Travis Storey from Arthur Andersen & Co., stating that Mr. Storey would be available during the open discussion period for any questions relating to the auditing function.

The Secretary then reported as follows on the results of the voting as reported by the Inspector of Election:

Proposal 1 - To elect six directors:

Each of the six Directors nominated, that is, Messrs. Cenko, Jepson, Marcellus, Burch, Kearns, and Kilpatrick received at least 4,317,583 votes, or a percentage of at least 90.5% of shares voted in favor of his election for the terms as earlier stated.

Proposal 2 - To approve the Agreement and Plan of Merger:

Shares voting for: 3,444,878 (58.4% of total shares outstanding)
Shares voting against: 544,728
Shares abstaining: 63,282

Proposal 3 - To approve the amendment to the 1986 Stock Option Plan:

Shares voting for: 3,202,152 (67.1% of shares voted)
Shares voting against: 764,337
Shares abstaining: 86,399

Proposal 4 - To approve the Non-Employee Directors Stock Plan:

Shares voting for: 2,966,766 (62.2% of shares voted)
Shares voting against: 983,489
Shares abstaining: 102,633

Proposal 5 - To ratify the selection of independent auditors:

Shares voting for: 4,628,111 (97.0% of shares voted)
Shares voting against: 37,824
Shares abstaining: 50,472

There being no further business to come before the meeting, it was on motion duly made, seconded, and carried, adjourned at 9:40 a.m.

Richard A. Walker

Secretary

Attest:

Robert J. [Signature]



KUHLMAN CORPORATION

April 27, 1993

TO THE STOCKHOLDERS OF
KUHLMAN CORPORATION:

The 1993 Annual Meeting of Stockholders will be held this year on June 9, 1993 at The Plantation Club, 1 Cottonwood Drive, Savannah, Georgia.

At the Annual Meeting there will be presented five important matters for your consideration including the election of six directors who, with the other three directors, will share the responsibility for direction of the affairs of the Corporation.

At this meeting stockholders will be asked to consider and approve a proposed corporate restructuring under which the Corporation will be reincorporated as a Delaware corporation and the business of the Corporation will be conducted as a subsidiary of the new Delaware corporation. As a result of the proposed restructuring, each share of the Corporation's Common Stock would be converted into one share of Common Stock of the new Delaware corporation. Your Board of Directors believes that the formation of this type of structure is a key step in achieving growth beyond the present core business of the Corporation.

Other agenda items include a proposal to amend the 1986 Stock Option Plan to increase the number of shares of the Corporation's Common Stock which may be issued thereunder and a proposal to approve the Non-Employee Directors Stock Plan. The Board of Directors believes that its continued ability to grant options under the 1986 Stock Option Plan will be of assistance in attracting and retaining highly qualified employees to the benefit of the Corporation and its stockholders. The Directors Stock Plan is intended to increase the proprietary interest of non-employee directors in the Corporation's success and to provide them with an additional incentive to serve as directors of the Corporation.

The final agenda item to be acted upon is the ratification of the appointment, by the Board of Directors, of Arthur Andersen & Co. as independent auditors to conduct the annual examination of the financial statements of the Corporation and its subsidiaries for the year ending December 31, 1993.

The Board of Directors and your management urge your favorable action on the matters described above, and the prompt return of your proxy.

Sincerely yours,

Donald O. Dulude
Chairman of the Board

Robert S. Jepsen, Jr.
President and Chief Executive Officer

IMPORTANT

To assure the presence of a quorum of stockholders at this meeting, please vote, date, sign and mail the enclosed PROXY promptly. Sign your name as it appears on the enclosed Proxy (do not print); executors, administrators, personal representatives, trustees, guardians, etc., should so indicate; corporations should sign by an authorized officer whose title should be indicated.

The 1992 Annual Report to Stockholders of the Corporation, including financial statements, is furnished herewith to those stockholders who did not previously have one mailed to them.

KUHLMAN CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

JUNE 9, 1993

TO THE STOCKHOLDERS OF
KUHLMAN CORPORATION:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Kuhlman Corporation, a Michigan corporation ("Corporation") will be held on Wednesday, the 9th day of June, 1993, at 9:30 A.M., local time, at The Plantation Club, 1 Cottonwood Drive, Savannah, Georgia, for the following purposes:

1. to elect six directors of the Corporation;
2. to approve the Agreement and Plan of Merger, a copy of which is attached as Appendix A to the accompanying Proxy Statement, between the Corporation, a newly formed Delaware corporation also named Kuhlman Corporation ("New Kuhlman") and Kuhlman Electric Corporation, a newly formed Delaware corporation and a subsidiary of New Kuhlman ("Kuhlman Electric") providing for the reincorporation of the Corporation in the State of Delaware pursuant to the statutory merger of the Corporation into Kuhlman Electric with the result that the Corporation will become a subsidiary of New Kuhlman, and the holders of the Corporation's Common Stock will become holders of New Kuhlman's Common Stock, all as described in the accompanying Proxy Statement;
3. to approve a proposal to amend the Corporation's 1986 Stock Option Plan to increase the number of shares of the Corporation's Common Stock which may be issued thereunder;
4. to approve the Non-Employee Directors Stock Plan;
5. to ratify the selection of independent auditors; and
6. to transact such other business as may properly come before the meeting or any adjournments thereof.

The close of business on April 19, 1993 has been fixed as the record date for the determination of the stockholders entitled to notice of and to vote at the meeting or any adjournments thereof. Stockholders are requested to complete, date, sign and mail the enclosed proxy promptly in the enclosed addressed envelope. If you should be present at the meeting and desire to vote in person, you may withdraw your proxy.

By Order of the Board of Directors,

RICHARD A. WALKER,
Vice Chairman, General Counsel
and Secretary

April 27, 1993

PROXY STATEMENT-PROSPECTUS

KUHLMAN CORPORATION

COMMON STOCK

\$1.00 par value

This Proxy Statement-Prospectus pertains to the issuance of shares of Common Stock, \$1.00 par value, of Kuhlman Corporation, a Delaware corporation ("New Kuhlman"), upon the consummation of the proposed merger (the "Merger") of the Corporation, a Michigan corporation into Kuhlman Electric Corporation, a Delaware corporation and a wholly-owned subsidiary of New Kuhlman. At the effective date of the Merger, each share of the Corporation's Common Stock will be converted into and, without action on the part of the holder thereof, become one share of New Kuhlman Common Stock. The Merger is described in the Corporation's Proxy Statement, which is included as part of this Prospectus.

The outstanding shares of the Corporation's Common Stock are currently listed on the New York Stock Exchange ("NYSE") and the shares of New Kuhlman's Common Stock will be listed on the NYSE. On April 26, 1993, the closing sale price of the Corporation's Common Stock on the NYSE Composite Tape was \$15¼ per share.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Date of this Proxy Statement-Prospectus is April 27, 1993

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No person is authorized to give any information or to make any representation not contained in this Proxy Statement-Prospectus, or incorporated in it by reference, and, if given or made, such information or representation should not be relied upon as having been authorized. This Proxy Statement-Prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this Proxy Statement-Prospectus, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make such offer, or solicitation of an offer, or proxy solicitation in such jurisdiction. Neither the delivery of this Proxy Statement-Prospectus nor any distribution of the securities offered pursuant to this Proxy Statement-Prospectus shall, under any circumstances, create an implication that there has been no change in the affairs of the Corporation since the date of this Proxy Statement-Prospectus.

AVAILABLE INFORMATION

A Registration Statement under the Securities Act of 1933, as amended, has been filed with the Securities and Exchange Commission (the "Commission") covering the shares of New Kuhlman Common Stock to be issued in connection with the Merger. As permitted by the rules and regulations of the Commission, this Proxy Statement-Prospectus omits certain information, exhibits and undertakings contained in the Registration Statement. For further information pertaining to the securities offered hereby, reference is made to the Registration Statement, including the exhibits filed as a part thereof.

The Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, file reports, proxy statements and other information with the Commission. Reports, proxy statements and other information filed by the Corporation can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549; and at its Regional Offices located at Suite 1400, Northwest Atrium Center, 500 Madison Avenue, Chicago, Illinois 60661; and 7 World Trade Center, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition the Corporation's Common Stock is listed on the New York Stock Exchange and such material as to the Corporation can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

THIS PROXY STATEMENT-PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. THESE DOCUMENTS ARE AVAILABLE UPON REQUEST AND WITHOUT CHARGE FROM RICHARD A. WALKER, VICE CHAIRMAN, GENERAL COUNSEL AND SECRETARY, KUHLMAN CORPORATION, 2343 ALEXANDRIA DRIVE, SUITE 200, LEXINGTON, KENTUCKY 40504 (TELEPHONE NUMBER (606) 224-4300). IN ORDER TO ENSURE TIMELY DELIVERY OF DOCUMENTS A PERSON DESIRES TO EXAMINE PRIOR TO THE ANNUAL MEETING OF STOCKHOLDERS, ANY REQUEST FOR DOCUMENTS SHOULD BE MADE BY JUNE 2, 1993.

KUHLMAN CORPORATION PROXY STATEMENT ANNUAL MEETING OF STOCKHOLDERS

April 27, 1993

INTRODUCTION

This Proxy Statement-Prospectus is furnished in connection with the solicitation of proxies by the Board of Directors of Kuhlman Corporation (hereinafter referred to as the "Corporation") from the holders of the Corporation's Common Stock to be used at the Annual Meeting of Stockholders to be held on June 9, 1993 at 9:30 A.M., local time. The address of the principal executive offices of the Corporation is 2343 Alexandria Drive, Suite 200, Lexington, Kentucky 40504.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its exercise by notice in writing to the Secretary of the Corporation prior to the meeting. Unless the proxy is revoked, the shares represented thereby will be voted as specified by the stockholder on the proxy at the Annual Meeting or any adjournments thereof. If no specification is made on the proxy, the proxies are appointed to vote for the election of all directors and for the proposals. The giving of the proxy does not affect the right to vote in person should the stockholder attend the meeting.

The Board of Directors in accordance with the By-Laws has fixed the close of business on April 19, 1993 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders or any adjournments thereof. At the close of business on such date the outstanding number of voting securities of the Corporation was 5,899,105 shares of Common Stock, \$1.00 par value, each of which is entitled to one vote.

All votes will be tabulated by employees of NBD Bank, N.A., the Corporation's transfer agent for the Common Stock, who will serve as inspectors of election. Abstentions and broker non-votes are each included in the determination of the number of shares present. Abstentions are counted in tabulations of the votes cast on proposals presented to stockholders, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

INFORMATION INCORPORATED BY REFERENCE

The Annual Report of the Corporation on Form 10-K for the year ended December 31, 1992 previously filed with the Commission by the Corporation is incorporated herein by reference.

All documents subsequently filed by the Corporation pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this Proxy Statement-Prospectus and prior to the date of the Annual Meeting of Stockholders, shall be deemed to be incorporated by reference into this Proxy Statement-Prospectus and to be a part hereof from the dates of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Proxy Statement-Prospectus shall be deemed to be modified or superseded for purposes of this Proxy Statement-Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Proxy Statement-Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Proxy Statement-Prospectus.

RECENT DEVELOPMENTS

As noted in the Corporation's 1992 Annual Report to Stockholders, 1992 was a difficult year for the Corporation. Due to a weakening economy, the Corporation's electrical utility customers have been reducing demand for the Corporation's products and continue to manage their purchases and inventories more carefully. This trend has continued into 1993.

In an effort to improve its operating performance the Corporation anticipates taking several actions which will result in a significant charge to earnings in the first quarter of 1993. These actions include reductions in its work force, redeployment of personnel, restructuring of certain manufacturing operations, and rationalization of its product offerings. As part of these efforts, the Corporation announced on March 15, 1993 that it was reducing its salaried workforce by approximately 19%. In addition the Corporation expects to take a charge for costs associated with post-retirement benefits other than pensions provided to retirees in accordance with FASB 106. The charge to net earnings for these actions has not been fully quantified, but as a result thereof, the Corporation expects to report a net loss for the 1993 first quarter.

SUMMARY OF RESTRUCTURING

The following is a summary of certain information contained elsewhere in this Proxy Statement-Prospectus. This summary is qualified in its entirety by the detailed information contained herein, the Appendices hereto and the documents referred to herein, to which reference is made for a complete statement of the matters discussed below. Certain capitalized terms used in this summary are defined elsewhere in this Proxy Statement-Prospectus.

Parties to the Restructuring

The Corporation, a Michigan corporation founded in 1894, manufactures distribution, power and instrument transformers for the electric utility industry. The Corporation also manufactures springs and metal products.

Kuhlman Corporation ("New Kuhlman") and Kuhlman Electric Corporation ("Kuhlman Electric") are Delaware corporations recently organized by the Corporation for the purpose of effecting the Merger. They have no material assets and have not engaged in any activities except in connection with the Merger.

Proposed Restructuring

New Kuhlman has been organized to become the holding company for Kuhlman Electric. The formation of the parent holding company structure will be achieved by the merger of the Corporation into Kuhlman Electric pursuant to the terms of the Plan of Merger. In the Merger, each outstanding share of the Corporation's Common Stock will be converted into one share of New Kuhlman Common Stock, the holders of the Corporation's Common Stock will collectively become the sole holders of New Kuhlman Common Stock, and New Kuhlman will become the sole holder of Kuhlman Electric Common Stock.

Stockholders of New Kuhlman, as stockholders of a Delaware corporation, will in general, have the same rights that they possess as stockholders of the Corporation, a Michigan corporation, although certain changes are inherent in being incorporated in Delaware rather than in Michigan. A summary of the material changes, as they might affect the stockholders, is set forth under "Proposal to Reincorporate in Delaware with Holding Company Structure — Comparative Stockholders' Rights under Michigan and Delaware Law".

Reasons for Reincorporation in Delaware

By reincorporating in Delaware pursuant to the Merger, the Corporation will be able to make use of the increased flexibility and certain other features afforded by the General Corporation Law of Delaware. Because of Delaware's significance as the state of incorporation for many major corporations, the Delaware judiciary has become particularly familiar with matters of corporate law, and a substantial body of court decisions has developed construing Delaware laws. As a consequence, Delaware corporate law has been, and is likely to continue to be, interpreted and explained in a

number of significant court decisions, a circumstance which may provide greater predictability with respect to the Corporation's corporate legal affairs. See "Proposal to Reincorporate in Delaware with Holding Company Structure — Reasons for Reincorporation in Delaware."

Reasons for the Holding Company Structure

The management and Board of Directors of the Corporation unanimously believe that, in order to pursue growth opportunities in new areas, the proposed restructuring into a holding company is in the best interests of the Corporation's stockholders, customers and employees. The formation of a holding company will be a key step in meeting the Corporation's objective of identifying and pursuing growth opportunities that are beyond its present core business, but which effectively build on existing management experience and expertise. It is believed that a holding company structure will provide a greater focus on creating value through better allocation of resources at the holding company level where the primary focus will be to pursue growth opportunities through acquisitions. As to individual operations or acquisitions which will be operated as subsidiaries of the holding company, the management teams at such operations will focus on growing their own businesses. See "Proposal to Reincorporate in Delaware with Holding Company Structure — Reasons For Holding Company Structure."

Vote Required for Approval

The affirmative vote of the holders of a majority of the outstanding shares of the Corporation's Common Stock is required to approve the Plan of Merger. See "Introduction".

Recommendation of the Corporation's Board of Directors

The Board of Directors believes that it is in the best interests of the Corporation and its stockholders in connection with the reincorporation to reorganize the corporate structure of the Corporation and its subsidiaries by creating a new holding company to be the publicly-held parent of the Corporation.

Conditions to the Restructuring

The Merger is subject to approval of the Plan of Merger by the affirmative vote of a majority of the outstanding Common Stock of the Corporation, and approval for listing, subject to notice of issuance, by the New York Stock Exchange of the New Kuhlman Common Stock to be issued or initially reserved for issuance.

Federal Income Tax Consequences

The Merger is intended to qualify as a tax free reorganization under Section 368(a)(1)(F) or 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended. Assuming such tax treatment, no taxable income, profit or loss will be recognized by the Corporation or the stockholders as a result of the exchange of shares of Common Stock of the Corporation for shares of New Kuhlman Common Stock upon consummation of the transaction. Stockholders should consult their own tax advisors with respect to the tax consequences of the Merger.

Dissenters' Rights of Appraisal

Stockholders of the Corporation do not have dissenters' rights of appraisal under Michigan law with respect to the Merger.

Exchange of Certificates

It will not be necessary for stockholders to turn in their certificates of the Corporation's Common Stock in exchange for certificates of New Kuhlman Common Stock. The certificates for the

Corporation's Common Stock which are outstanding, will automatically represent the same number of shares of New Kuhlman Common Stock.

PROPOSAL TO REINCORPORATE IN DELAWARE WITH HOLDING COMPANY STRUCTURE

General

The Board of Directors of the Corporation has proposed that the state of incorporation of the Corporation, which is currently Michigan, be changed to Delaware and that a holding company structure for the Corporation and its subsidiaries be established. Such change is proposed to be effected by an Agreement and Plan of Merger, a copy of which is attached to this Proxy Statement — Prospectus as Appendix A (the "Plan of Merger"). The Board of Directors has unanimously approved the Plan of Merger for submission to the stockholders. The Plan of Merger provides for the merger of the Corporation with and into Kuhlman Electric Corporation ("Kuhlman Electric"), a newly formed Delaware corporation and a subsidiary of Kuhlman Corporation, a Delaware corporation newly formed by the Corporation ("New Kuhlman"). This will, in effect, cause the Corporation to be reincorporated in Delaware and effect the holding company structure. On the effective date of the Merger, each issued and outstanding share of Common Stock of the Corporation will be converted into one share of Common Stock, \$1.00 par value per share, of New Kuhlman ("New Kuhlman Common Stock"). The following discussion summarizes certain aspects of the Merger, but is qualified in its entirety by reference to the Plan of Merger.

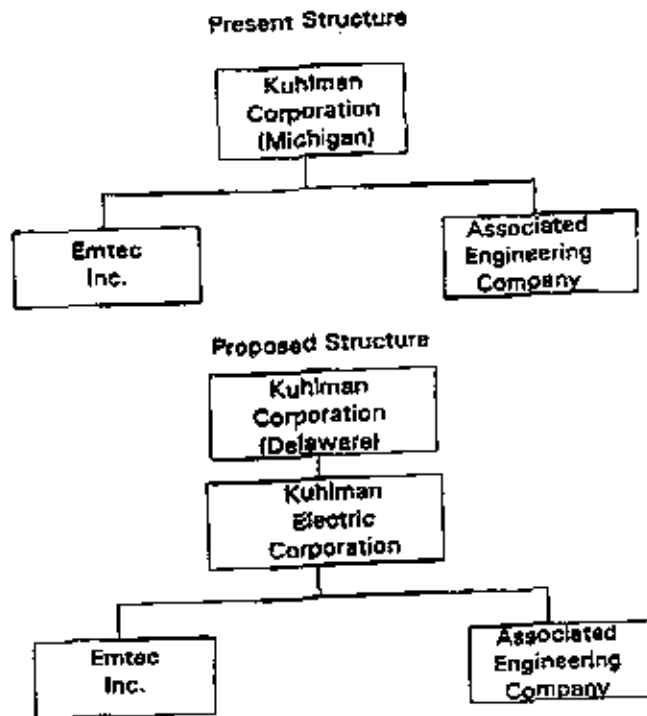
On the effective date of the Merger, Kuhlman Electric will succeed to all of the assets, liabilities and business of the Corporation and will possess all of the rights and powers of the Corporation. After the effective date of the Merger, the subsidiaries of the Corporation will be subsidiaries of Kuhlman Electric.

Except as described below, stockholders of New Kuhlman, as stockholders of a Delaware corporation, will in general, have the same rights that they possess as stockholders of the Corporation, a Michigan corporation, although certain changes are inherent in being incorporated in Delaware rather than in Michigan. A summary of the material changes, as they might affect the stockholders, is set forth under "Comparative Stockholders' Rights under Michigan and Delaware Law" below.

On the effective date of the Merger, issued and outstanding shares of Common Stock of the Corporation will automatically be converted into shares of New Kuhlman Common Stock. Stockholders may, but are not required to, surrender their present Common Stock certificates so that replacement certificates representing shares of New Kuhlman Common Stock may be issued in exchange therefor. Certificates representing Common Stock should not be destroyed or returned to the Corporation. After the Merger, certificates representing Common Stock will constitute "good delivery" in connection with sales through a broker, or otherwise, of shares of New Kuhlman Common Stock. NBD Bank, N.A., the Corporation's transfer agent, will continue to act as transfer agent for New Kuhlman Common Stock after the Merger.

Prior to the restructuring stockholders of the Corporation have direct control over the assets of the Corporation while after the restructuring stockholders will have indirect control through the holding company. Actions of the holding company relative to the assets of the Corporation will be limited by Delaware law.

The following diagrams illustrate the corporate structure of the Corporation and its subsidiaries before the restructuring and following the restructuring:



The Merger is subject to approval of the Plan of Merger by the affirmative vote of a majority of the outstanding Common Stock of the Corporation, and approval for listing, subject to notice of issuance, by the New York Stock Exchange of the New Kuhlman Common Stock to be issued or initially reserved for issuance.

The Plan of Merger may be terminated at any time prior to the effective date of the Merger, either before or after stockholder approval, by the Board of Directors of the Corporation. In addition, the terms of the Plan of Merger may be amended prior to the effective date of the Merger, provided that the Plan of Merger may not be amended after it has been adopted by the Corporation's stockholders, if in the judgment of the Corporation's Board of Directors, such amendment, would have a material adverse effect on the rights of stockholders.

Reasons for Reincorporation in Delaware

By reincorporating in Delaware pursuant to the Merger, the Corporation will be able to make use of the increased flexibility and certain other features afforded by the General Corporation Law of Delaware. For many years, Delaware has followed a policy of encouraging incorporation in that state and, in furtherance of that policy, has adopted comprehensive, modern and flexible corporate laws which are periodically updated and revised to meet changing business needs. As a result, many major corporations have initially chosen Delaware for their domicile or have subsequently reincorporated in Delaware in a manner similar to that proposed by the Corporation. Because of Delaware's significance as the state of incorporation for many major corporations, the Delaware judiciary has become particularly familiar with matters of corporate law, and a substantial body of court decisions has developed construing Delaware laws. As a consequence, Delaware corporate law has been, and is likely to continue to be, interpreted and explained in a number of significant court decisions, a circumstance which may provide greater predictability with respect to the Corporation's corporate legal affairs.

Reasons for Holding Company Structure

The Board of Directors believes that it is in the best interests of the Corporation and its stockholders in connection with the reincorporation to reorganize the corporate structure of the Corporation and its subsidiaries by creating a new holding company to be the publicly-held parent of the Corporation.

Following the effective date of the Merger, New Kuhlman will conduct all of the operations currently conducted by the Corporation and its subsidiaries and New Kuhlman will have the same consolidated net worth as the current consolidated net worth of the Corporation and its subsidiaries. Under the Plan of Merger, each share of the Corporation's Common Stock will be converted into one share of New Kuhlman Common Stock. Consequently, the stockholders of the Corporation will become stockholders of New Kuhlman and will have the same percentage ownership interests in New Kuhlman as they now have in the Corporation.

New Kuhlman does not plan to be an operating company and its assets will consist principally of cash and the capital stock of its subsidiaries. It will derive its income principally from its subsidiaries.

The management and Board of Directors of the Corporation unanimously believe that, in order to pursue growth opportunities in new areas, the proposed restructuring into a holding company is in the best interests of the Corporation's stockholders, customers and employees. The formation of a holding company will be a key step in meeting the Corporation's objective of identifying and pursuing growth opportunities that are beyond its present core business, but which effectively build on existing management experience and expertise. It is believed that a holding company structure will provide a greater focus on creating value through better allocation of resources at the holding company level where the primary focus will be to pursue growth opportunities through acquisitions. As to individual operations or acquisitions which will be operated as subsidiaries of the holding company, the management teams at such operations will focus on growing their own businesses. The Corporation may investigate acquisitions which offer opportunities in vertical and horizontal integration, as well as potential acquisitions outside the electrical equipment industry.

Changes in the Corporation's Articles and By-Laws to be Effected by the Reincorporation

Approval of the Plan of Merger by the stockholders will also constitute approval of the provisions of the Certificate of Incorporation of New Kuhlman (the "New Kuhlman Certificate") and the By-Laws of New Kuhlman (the "New Kuhlman By-Laws") which are attached as Appendices B and C, respectively, to the Proxy Statement. The New Kuhlman Certificate and New Kuhlman By-Laws differ from the Corporation's Articles of Incorporation (the "Corporation's Articles") and the By-Laws of the Corporation ("Corporation's By-Laws") in certain respects, the principal differences of which are described below.

Business Combinations with Substantial Stockholders

The Corporation currently has in effect the following provisions in its Articles of Incorporation. In 1974, the stockholders of the Corporation approved an amendment to the Corporation's Articles which require the affirmative vote of at least 75% of the outstanding voting stock of the Corporation in order to authorize (a) a merger or consolidation with or into, (b) the disposition of all or substantially all of the assets of the Corporation to, or (c) the issuance of voting securities of the Corporation in exchange for payment for securities or assets of, any other person if such person is, or has been within the preceding twelve months, the beneficial owner of 5% or more of the outstanding voting stock of the Corporation. The foregoing provision does not apply in a transaction approved by the Board of Directors of the Corporation if a majority of those directors voting for such approval were elected and acting directors of the Corporation prior to the time that such person became the holder of 5% or more of the Corporation's outstanding voting stock. Absent a recommendation by a majority of the directors to stockholders, a vote of 75% of the outstanding voting stock of the Corporation is required to amend, modify or repeal the foregoing provisions of the Corporation's Articles.

Under Michigan law the holders of a majority of the outstanding shares are required to approve a merger or sale of substantially all of the assets of a corporation unless the articles of incorporation require a greater vote. The effect of the foregoing provision in the Corporation's Articles is to allow a minority of stockholders to block approval of a business combination with a 5% stockholder unless a majority of the directors approve the transaction in advance. The New Kuhlman Certificate will not contain provisions similar to the Michigan provisions on business combinations.

Delaware law contains a business combination provision that prevents buyers who acquire 15% or more of a target company's stock from completing a hostile takeover for three years. A takeover can, however, be completed if the buyer, while acquiring this 15% interest, manages to acquire at least 85% of the outstanding stock. The 85% excludes shares owned by directors who are also officers and certain shares held under certain employee stock plans. The takeover can also be completed if it is approved by the target company's board of directors prior to the date the buyer became a 15% or more stockholder or after the date the buyer became a 15% or more stockholder if it is approved by the target company's board of directors and two-thirds of the shares voting at an annual or special meeting of stockholders, excluding shares held by the buyer. The business combination provision applies automatically to Delaware corporations except those corporations with less than 2,000 stockholders of record or those that do not have voting stock listed on a national securities exchange or listed for quotation with a registered national securities association. Such a corporation may, if it wishes, "opt in" by amending its certificate of incorporation to adopt the provision. Any corporation may decide to "opt out" of the statute by action of its stockholders. The foregoing provisions will be applicable to New Kuhlman.

While there is no provision in the New Kuhlman Certificate similar to the provision in the Corporation's Articles which requires a vote of 75% of the outstanding shares to approve a business combination with a 5% stockholder, Delaware law limits for a period of three years the ability to do various business combinations with a 15% stockholder. None of these provisions are applicable if the business combination is approved by the directors prior to the time the person became an interested stockholder. These provisions could have the effect of discouraging a third party from making a tender offer or otherwise attempting to obtain control of the Corporation, even though such an attempt might be beneficial to stockholders who could be deprived of an opportunity to sell their stock at a higher market price.

Prohibition Against Stockholder Action by Written Consent; Limitations on Calling Special Meetings

Pursuant to Michigan law if provided for in the articles of incorporation, any action required or permitted to be taken by stockholders of a corporation may be taken without a meeting and without a stockholder vote if a written consent setting forth the action to be taken is signed by the holders of shares of outstanding stock having the requisite number of votes that would be necessary to authorize such action at a meeting of stockholders. The Corporation's Articles do not so provide. Delaware law allows such action in all cases, except as specifically prohibited by the certificate of incorporation. The New Kuhlman Certificate would require that stockholder action be taken at an annual or special meeting of stockholders and would prohibit stockholder action by consent.

The Corporation's By-Laws provide that special meetings of stockholders may be called by the chief executive officer of the Corporation or by the Board of Directors. In addition Michigan law provides that upon application by holders of not less than 10% of the voting shares of a corporation, a court for good cause shown may order a special meeting of stockholders. Under the New Kuhlman Certificate stockholders would not be permitted to call a special meeting of stockholders or to require that the Board call such a special meeting; only the chief executive officer or the Board, pursuant to a resolution adopted by a majority of the entire Board, would be able to call such a special meeting.

The provisions of the New Kuhlman Certificate prohibiting stockholder action by consent would give all the stockholders of New Kuhlman the opportunity to participate at a duly called meeting in

SEYFARTH
ATTORNEYS **SHAW**

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FILE COPY

October 27, 2000

VIA FACSIMILE (601) 206-1612

Douglas G. Mercier, Esq.
357 Towne Center Blvd.
Suite 203
Ridgeland, Mississippi 39157

**Re: Kellums' property located at 412 Lee Avenue, Crystal Springs, Mississippi
Edwards' property located at 406 Lee Avenue, Crystal Springs, Mississippi**

Dear Mr. Mercier:

Following our October 16, 2000 conversation, we received your October 17, 2000 letter and follow up information on the Edwards' home purchase. As I promptly responded in messages to you, we were considering the requests and information on the referenced properties and were awaiting information on your retained consultant. We stated that BorgWarner would be willing to split samples with your consultant and the Mississippi Department of Environmental Quality ("MDEQ"). In fact, we agreed with you that the sample collection and splitting activities be undertaken side-by-side with BorgWarner and MDEQ to maximize accuracy and credibility, and to reduce later issues.

As Anastasia Hamel stated to you on October 15, 2000, your clients' properties were designated to be remediated first, at MDEQ's direction. The equipment stood ready and was scheduled to proceed with the remediation and restoration on Wednesday, October 18, 2000. When you became involved, we remained hopeful that all aspects of your October 17, 2000 letter would be resolved by this past Monday, October 23, 2000 and the remediation promptly commenced. Unfortunately, we subsequently began receiving conflicting and second-hand information from various sources concerning different attorneys representing your clients, the conditions which might apply for proceeding with the clean up, and, most importantly, we received no information on a designated consultant for sample collection and splitting with MDEQ and BorgWarner.

On Monday, October 23, 2000, I contacted you in an attempt to clarify these issues. You verbally confirmed the "association" of another law firm, but provided little further information. I requested a follow up letter from you to clarify these issues in the hope that BorgWarner could promptly proceed with the cleanup and restoration of your clients' properties. I again asked you to keep

ATLANTA BOSTON CHICAGO HOUSTON LOS ANGELES NEW YORK SACRAMENTO SAN FRANCISCO WASHINGTON, D.C. BRUSSELS

Douglas G. Mercier, Esq.
October 27, 2000
Page 2

in mind that BorgWarner is performing these activities under the strict direction of and scheduling with the MDEQ. Accordingly, BorgWarner must coordinate any changes in plans with the MDEQ and knowledge of your clients' positions and intentions are necessary.

On October 25, 2000, we were informed that a consultant under the direction of another law firm had entered various properties, including those of your clients, and commenced some form of sampling activities in the midst of this MDEQ-directed action. No coordination, and therefore no split sampling or shared quality control of any kind, has occurred. The previously agreed approach, upon which we thought we had reached a sensible accommodation that we had hoped would be acceptable to MDEQ, likely would have allowed both your consultant's sampling and the properties' remediation to proceed in a timely manner. BorgWarner has full confidence in its sampling results. Samples are tested and quality controlled by two laboratories experienced with polychlorinated biphenyls analysis. Further, the samples are frequently split with on site MDEQ representatives for its own analysis. The current unfortunate and avoidable circumstances, including your October 17, 2000 letter's threat that any on site activities otherwise conducted by BorgWarner will constitute a trespass, complicate matters and delayed the cleanup of your clients' properties.

BorgWarner is extremely disappointed that the cleanup and restoration of your clients' properties cannot proceed at this time. It has invested substantial monies and resources to promptly address the properties adjacent to the plant and to protect the safety and health of the local population and the environment. The cleanup and restoration of your clients' properties would have been well underway and perhaps completed by this time. BorgWarner intends to proceed with remediation and restoration activities, where possible. However, the current phase of this activity, which was to address all of the actionable Lee Avenue and Jackson Street properties, will likely end shortly in this tangle of developments as it is conceivable that contamination from your clients' properties may re-contaminate cleaned properties.

As we also discussed, BorgWarner never directly owned or operated the Kuhlman Electric Corporation plant, but is acting pursuant to a contractual indemnity. The KEC facility was a subsidiary of a company which BorgWarner purchased in 1999. The KEC facility was sold a mere nine months later. BorgWarner and KEC are completely independent and unaffiliated companies and BorgWarner possesses only publicly available information about the KEC plant's operations. Nonetheless, upon being notified of existing contamination, BorgWarner promptly and voluntarily commenced, with the cooperation of KEC, MDEQ and local government, the investigation, remediation and restoration efforts at the KEC facility and the adjacent properties, such as your clients', to resolve these issues and to protect human health and the environment.

Douglas G. Mercier, Esq.
October 27, 2000
Page 3

As we are sure you understand, your October 26, 2000 letter, sent and received after these developments sponsored by you and your co-counsel, does nothing to resolve the circumstances creating the delay. While we by no means can speak for MDEQ, we do not believe the remediation will proceed until all sampling results are received and evaluated, and any conflicts resolved.

Please contact me if you wish to discuss any of the foregoing.

Very truly yours,

SEYFARTH SHAW

By:



Thomas D. Lupo

TDL:cyn

cc: Anastasia Hamel
Scott E. Schang, Esq.
Gretchen Zmitrovich

DOUGLAS G. MERCIER
ATTORNEY AT LAW

357 TOWNE CENTER BLVD., SUITE 203
RIDGELAND, MISSISSIPPI 39157

FILE COPY

MAILING ADDRESS:
P.O. BOX 2324
RIDGELAND, MS 39158-2324

October 26, 2000

TELEPHONE: (601) 206-5557
FACSIMILE: (601) 206-1612
e-mail: lawyerdm@bellsouth.net

VIA FACSIMILE (810) 497-4441
Anastasia Hamel, Director of Environmental Programs

VIA FACSIMILE (312) 269-8869
Tom Lupo, Esq.

Re: Kellums' property located at 412 Lee Avenue, Crystal Springs, Mississippi;
and Edwards' property located at 406 Lee Avenue, Crystal Springs, Mississippi

Dear Anastasia and Tom:

I have associated the law firm of David Nutt & Associates, Jackson, Mississippi, to assist in the handling of the cases for my clients affected by the chemical contamination and exposure from the Kuhlman Plant in Crystal Springs, Mississippi. Mary E. McAlister, Esq., 666 North Street, Suite 105-A, Jackson, Mississippi 39202, is primarily handling the cases on behalf of David Nutt & Associates.

It should go without saying, since there is a serious probability of litigation concerning the injuries and damages sustained as a result of chemical contamination from the Kuhlman Plant, Borg Warner and its affiliated and related companies should preserve all documents, soil samples, test data and other tangible things relating to the operations at the Kuhlman Plant, the use of chemicals at the Plant, and the disposal of same. Any destruction or spoliation of evidence will be dealt with appropriately.


I have not received a written response from your company that it will honor my clients' request regarding remediation efforts on their property, as outlined in my October 17, 2000, facsimile to you. Nevertheless, my clients do not wish to stand in the way of remediation or clean up efforts required by the Mississippi Department of Environmental Quality or those that your company believes to be necessary. Therefore, you may proceed with the remediation efforts that you deem necessary on the referenced property of the Kellums and Edwards families located on Lee Avenue.

Nothing contained in this letter, or the permission given for your company to conduct remediation efforts, is to be construed as a waiver of any rights or remedies of the Kellums, Edwards, or any of my other clients. My clients specifically reserve all rights and remedies that they possess now, or may possess in the future, against all persons or entities that may be responsible, in whole or in part, for any personal injury or property damages that they have sustained, or may sustain, as a result of chemical contamination or exposure, or remediation efforts for same.

October 26, 2000
Page 2

If you wish to discuss this matter further, please do not hesitate to contact me.

Sincerely,



Douglas G. Mercier

DGM/jt

cc: Mary E. McAlister, Esq.
Paul and Susie Kellum

PERILLOUX & ASSOCIATES, P.A.
ATTORNEYS AT LAW
4343 DIXIE DRIVE
JACKSON, MISSISSIPPI 39209

ROY J. PERILLOUX
(ALSO ADMITTED IN LOUISIANA)
JAMES E. RENFROE
D. BRIAN ALLEN

LEGAL ASSISTANTS:
BONNIE PERILLOUX
GIGI WALL
BRENDA SLAY

RECEIVED
OCT 27 2000
Office of Environmental Quality
Office of Pollution Control
FILE COPY

PHONE: (601) 922-3482
FAX: (601) 922-3472
EMAIL: roy4343@meta3.net

October 26, 2000

Tony Russell
c/o Mississippi Dept. Of Environmental Quality
Office of Pollution Control
PO Box 10385
Jackson MS 39289-0385

CERTIFIED# P 551 512 771

Re: Kevin & Terri Frazier
405 Lee Avenue
Crystal Springs MS

Dear Mr. Russell:

This letter will serve to put you on notice that this firm has been retained to represent Kevin & Terri Frazier's interest for injuries that they have suffered as a direct and proximate result of contamination of their homestead property with Polychlorinated Biphenyls (PCBs). Any and all correspondence, inquiries and contact concerning this matter should be addressed and forwarded to this office.

I would respectfully request that one of your representatives contact this firm upon receipt of this so that we can discuss this matter.

I thank you for your valued attention and consideration in this matter and look forward to hearing from you soon.

Respectfully,


D. Brian Allen

cc: Kevin & Terri Frazier
DBA/

FILE COPY

CITY OF CRYSTAL SPRINGS
P.O. BOX 473
210 EAST RAILROAD AVE.
CRYSTAL SPRINGS, MS 39059

FAX COVER SHEET

DATE: 10/27/00

TIME: 8:45AM

TO: Gretchen
DEQ

PHONE: 961-5240

FAX: 961-5280

FROM: Kim
CITY OF CRYSTAL SPGS

PHONE: 601/892-1210

FAX: 601/892-4870

RE: See attached letter

Number of pages including cover sheet: 2

Message

Received letter this morning from
Attorney D. Brian Allen in reference
to the Frazier property.

PERILLOUX & ASSOCIATES, P.A.

ATTORNEYS AT LAW

4343 DIXIE DRIVE

JACKSON, MISSISSIPPI 39209

ROY J. PERILLOUX
 (ALSO ADMITTED IN LOUISIANA)
 JAMES E. RENFROE
 D. BRIAN ALLEN

PHONE: (601) 922-3482
 FAX: (601) 922-3472
 EMAIL: roy4343@meta3.net

LEGAL ASSISTANTS:
 BONNIE PERILLOUX
 GIGI WALL
 BRENDA SLAY

October 26, 2000

Hugh Webb, Mayor
 c/o City of Crystal Springs
 PO Box 473
 Crystal Springs MS 39059

CERTIFIED# P 551 512 772

Re: Kevin & Terri Frazier
 405 Lee Avenue
 Crystal Springs MS

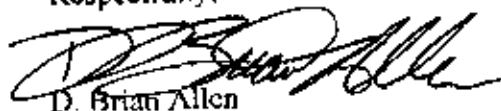
Dear Mayor Webb:

This letter will serve to put you on notice that this firm has been retained to represent Kevin & Terri Frazier's interest for injuries that they have suffered as a direct and proximate result of contamination of their homestead property with Polychlorinated Biphenyls (PCBs). Any and all correspondence, inquiries and contact concerning this matter should be addressed and forwarded to this office.

I would respectfully request that you or one of your representatives contact this firm upon receipt of this so that we can discuss this matter.

I thank you for your valued attention and consideration in this matter and look forward to hearing from you soon.

Respectfully,



D. Brian Allen

cc: Kevin & Terri Frazier
 DBA/

Received 10/27/00
 8:22 A.M.
 H.W.



Fax ^{FILE COPY}

BorgWarner Inc.
11955 East Nine Mile Road
Warren, Michigan 48089

FAX TRANSMITTAL INFORMATION

From: Anastasia Hamel	To: Gretchen Zmitrovich
Of: BorgWarner Inc.	Of: MDEQ
Phone: (810) 497-4503	Fax: 601-961-5300
Fax: (810) 497-4441	RE: USEPA Letter

Please deliver the attached to Gretchen Zmitrovich.

Thank you.

This facsimile contains information which (a) may be legally privileged, proprietary in nature or otherwise protected by law from disclosure, and (b) is intended only for the use of the addressee(s) named above. If you are not the addressee or the person responsible for delivering this to the addressee(s), you are hereby notified that any disclosure, copying, distributing or use of this facsimile is prohibited and may constitute an invasion of the privacy of the addressee(s). If you have received this facsimile in error, please telephone us (collect) immediately so that we can arrange for the retrieval of the facsimile at no cost to you.

Date: October 26, 2000	Number of page(s) in this fax including cover <u>2</u>
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Original will be sent via: Mail Overnight Courier Will Not Be Sent



TOXICS SECTION
FAX SHEET

U.S. EPA, Region 4
AFC Bldg., 12th Floor
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

DATE: October 19, 2000

No. Of Pages 1 (Including cover sheet)

TO: Kathy Daniels
BFI

cc: Robert Martin c/o AL Thomas & Kuhlman

FAX Number: (601) 982-9439

FROM: Craig Brown
EPA 4

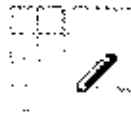
Craig Brown

Phone: (404) 562-8990


FAX: (404) 562-8973

Message: Kathy - I received the data package you transmitted yesterday on soil removed from two properties near the Kuhlman Electric site. Given the size of the project area I believe that the in-situ grid sampling performed by Ogden has adequately characterized the soil for disposal under TSCA PCB regulations. The highest PCB concentration I noted was 7.2 ppm. This particular cleanup action of adjacent residential/commercial properties that were contaminated by run-off and/or fill dirt transfer from Kuhlman is being done under MDEQ's direction. Based on what we know of the site and the timing of PCB releases to soil at Kuhlman, any soil from the properties surrounding Kuhlman that is currently below 50 ppm PCB based on adequate in-situ characterization does not meet the definition of "PCB remediation waste" and therefore may be disposed of as solid waste in a state-approved solid waste landfill.

FILE COPY

 Gretchen Zmitrovich
10/26/2000 08:51 AM

To: Jeff Smith <JSmith@sheldonlabs.com> @ INETDEQ
cc:

Subject: Re: 

The first two days of the remediation the crew was waiting on approval from BFI to dispose of the soil at Jackson's landfill. Then two pieces of their equipment broke down. It has taken longer than expected but no one could have anticipated the problems. They are having to go deeper in some areas. Verbally, I was informed that the confirmation samples came back above 1 ppm. I do not have copies yet of this data though.

Jeff Smith <JSmith@sheldonlabs.com> on 10/25/2000 10:29:57 AM



Jeff Smith <JSmith@sheldonlabs.com> on 10/25/2000 10:29:57 AM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc:

Subject:

Gretchen:

I've noticed that the remediation crew has been at the clinic longer than expected. I think Robert Martin had told me they would be finished in a couple of days. Do you know what the status is? I also noticed that they have gone pretty deep, too. Do you have the results from the test they did while digging? If so, can you share those?

Thanks,

Jeff Smith

FILE COPY



Jeff Smith <JSmith@sheldonlabs.com> on 10/25/2000 10:29:57 AM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc:

Subject:

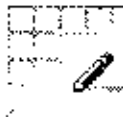
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Thanks,

Jeff Smith

FILE COPY

 Gretchen Zmitrovich
10/23/2000 08:36 AM

To: HERM132BANKHEAD@aol.com @ INETDEQ
cc:

Subject: Re: CONTAMINANTS AT KUHLMAN ELECTRIC CORPORATION (PCBs) 

I tried to return your call several times last week but kept missing you. The remediation crew in the field are using measures to control dust, i.e. dampening the soil with water. In addition, they are using air monitors to ensure that safe levels of air quality are maintained. I do not expect a problem with dust during this remediation. Hence, there was no need to notify the employees. EPA has approved the remediation and worked with us the get clearance for the material at the landfill.

Hope the information helps ease your concerns. Gretchen Zmitrovich

HERM132BANKHEAD@aol.com on 10/20/2000 04:56:36 PM



HERM132BANKHEAD@aol.com on 10/20/2000 04:56:36 PM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc:

Subject: CONTAMINANTS AT KUHLMAN ELECTRIC CORPORATION (PCBs)

Gretchen:
My name is Herman May and I serve as Chief Steward of Local 799 of the IUE Union at Kuhlman Electric here in Crystal Springs, Ms. 39059. We noticed the remediation process has started and it's been going on for a few days now. My questions are: what are the dangers of being exposed after the PCBs soil, dust has been disturbed? Should there have been some type of notification to the employees even though the actual remediation is next door? Was this remediation process cleared through EPA? Please respond as soon as possible. Thank you.....Herman

FILE COPY



HERM132BANKHEAD@aol.com on 10/20/2000 04:56:36 PM

To: Gretchen Zmitrovich/HW/OPC/DEQ@DEQ
cc:

Subject: CONTAMINANTS AT KUHLMAN ELECTRIC CORPORATION (PCBs)

Gretchen:

My name is Herman May and I serve as Chief Steward of Local 799 of the IUE Union at Kuhlman Electric here is Crystal Springs, Ms. 39059.

We noticed the remediation process has started and it's been gong on for a few days now,

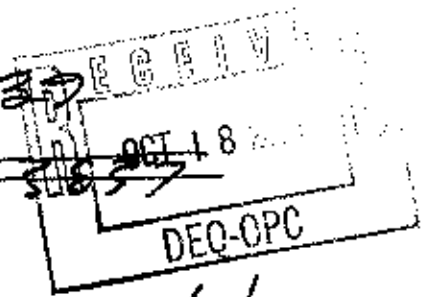
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Please respond as soon as possible.

Thank you.....Herman

FAA TO KATHY DAVIS **FILE COPY**

601/982-9437
~~662-332-5185~~

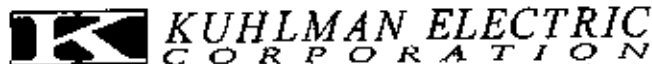


(3) pgs. incl/dj
cover

Pls deliver immediately. Urgent.

Robert Martin

Tel: (601) 892-4661



Instrument Transformers

Fax: (601) 892-6406

Power Transformers

101 Kuhlman Drive, Crystal Springs, Mississippi 39059

October 16, 2000

Ms. Kathy Daniel
Browning-Ferris Industries of MS, Inc.
P. O. Box 4736
Greenville, MS 38704-4736

RE: Kuhlman Electric
Waste Profiles for PCB Contaminated Soil

Dear Ms. Daniel:

Per your request, this letter details the source of the soil and the respective tonnage of waste associated with each site.

The contaminated soil that is destined for disposal is the result of remediation activities at various residences and commercial properties surrounding the Kuhlman Electric Corporation facility in Crystal Springs, Mississippi. The source of the PCB contamination is believed to be transformer oil used in the production of electrical transformers at the facility from the mid 1950s to 1973. As shown in the laboratory reports, there are no other contaminants associated with the soil.

The locations are as follows:

Medical Clinic - Lee Avenue	774 tons
Edwards Property - 406 Lee Avenue	446 tons
Garment Shop - 414 Lee Avenue	42 tons
Frazier Property - Lee Avenue	333 tons
Duplex - 408/410 Lee Avenue	63 tons
Kellum Property - 412 Lee Avenue	228 tons
Dabney/Smith Property - N. Jackson & Lee Avenue	298 tons

Excavation is currently scheduled to begin during the week of October 16, 2000.

If you have any question or comments, please do not hesitate to call Robert Martin at (828) 669 – 3929.

Sincerely,
Kuhlman Electric Corporation

A handwritten signature in black ink, appearing to read 'Alan Thomas', written over the printed name below.

Alan Thomas
Manager Maintenance / Facility Engineer