

HISCOCK & BARCLAY^{LLP}

Jeffrey W. Davis
Partner

July 20, 2012

VIA ELECTRONIC MAIL

Maura C. Desmond
Senior Attorney
New York State Department of Environmental Conservation
270 Michigan Avenue
Buffalo, NY 14203-7296

Re: Vanadium Corporation of America Site No. 932001
Order on Consent and Administrative Settlement # B9-0470-94-12 (OU-3)

Dear Ms. Desmond:

We are writing on behalf of the Respondents to the above referenced Order (namely Cyprus Amax Minerals Company, Chemetall Foote Corp., New York Power Authority and our client, Niagara Mohawk Power Corporation d/b/a National Grid) in response to your letter dated July 13, 2012 regarding the above referenced site (the "Site") and the ongoing remedial program.

The Respondents commenced work on the implementation of the remedial program shortly after the Order was executed. As you know, in the late fall of 2011, the Respondents completed the prerequisite phase of the remedial program, namely the relocation of the National Grid distribution line. The Respondents have every intention of commencing field work for the cap remedy later this summer.

As discussed with the Department on April 3, 2012, as the Respondents were finalizing the project bid documents for a 2012 construction season start, National Grid identified issues in the approved 100% Remedial Design which would significantly compromise worker safety and the ability to maintain and upgrade its critical infrastructure transmission lines that bisect the Site. Specifically, the 100% Remedial Design, if implemented, would result in inadequate and unsafe clearance with overhead high voltage lines and the inability to maintain and upgrade transmission towers due to the proposed contouring near such structures. Since identifying these concerns, National Grid has worked with CRA, the project engineer of record, to modify the Remedial Design to address these issues.

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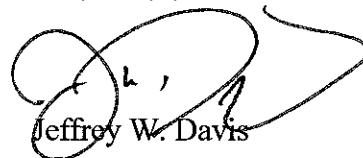
Significant time and consideration was given to the necessary Remedial Design changes in an effort to avoid triggering the need for a formal amendment of the Record of Decision. We anticipate the Department will find the proposed changes to be insignificant in terms of the overall Remedial Design; however we trust the Department understands the underlying need for the modifications in order to implement a remedy that does not compromise safety or the utility's ability to meet the electrical needs of its customers. A copy of the modified Remedial Design will be forwarded to the Department by July 31, 2012.

The Respondents are prepared to go to bid as soon as the changes to the Remedial Design are complete and anticipate commencement of field work by late summer of 2012.

Finally, attached is the monthly progress report for July, 2012. As discussed, it was the Respondents understanding, that monthly progress reports were not required until field work on the remedy had commenced. We apologize for any confusion on our part, and progress reports will be submitted on a monthly basis from this point forward. We look forward to working with the Department on the successful and safe implementation of the remedial program. If you have any questions on the above or attached please let me know.

Thank you for your consideration.

Very truly yours,



Jeffrey W. Davis

JWD:jw

cc: Jason Hughes, Esq.
Eric Rotfeld, Esq.
John Parkinson, Esq.
William Jones

**VANADIUM CORPORATION OF AMERICA SITE NO. 932001
OPERABLE UNIT NO.3
WITMER ROAD, TOWN OF NIAGARA, NIAGARA COUNTY, NEW YORK
ORDER ON CONSENT #B9-0470-94-12**

The Monthly Progress Report within consists of the following sections:

- A. Work Performed
- B. Deliverables Completed
- C. Scheduled Activities
- D. Problems and Resolutions
- E. Work Plan Modifications
- F. Citizen Participation Activities
- G. Activities Completion Summary

A. FIELD WORK PERFORMED – JULY 2012

- None

B. DELIVERABLES COMPLETED

- None

C. SCHEDULED ACTIVITIES

- CRA to complete design modifications and provide PE stamped copies of plans and specification to National Grid for use in bidding process.
- Upon receipt of CRA modifications, National Grid to finalize bid documents.

D. PROBLEMS AND RESOLUTIONS

- None

E. WORK PLAN MODIFICATIONS

- National Grid requested minor changes to:
 - 1 final topography to provide required clearances from overhead electric lines,
 - 2 final topography to provide level topo for placement of temporary pull pads necessary for future replacement and/or maintenance of overhead electric lines,
 - 3 access road locations to facilitate future maintenance of overhead lines,
 - 4 additional clearances between toe-of-slope and base of towers to facilitate future maintenance of towers and overhead lines.

F. CITIZEN PARTICIPATION ACTIVITIES

- None

G. ACTIVITIES COMPLETION SUMMARY

- Refer to Table 1 for a list of project activities.

ACTIVITY	PROJECT DATES			REGULATORY REVIEW			Percent Complete	Comments
	Start Date	Scheduled Completion Date	Actual Completion Date	Comments Received	Re-Submission	Approval		
Complete Design mods	1/11/2012		7/25/2012					CRA in progress
Bid Advertisement	7/30/2012	7/30/2012						
Bid Receipt	8/24/2012	8/24/2012						4 week bid period
Bid Evaluation and Contractor Selection	8/27/2012	9/7/2012						2 week evaluation period
Bid Award & Notice to Proceed	9/12/2012	9/12/2012						
Contractor Mobilization	10/1/2012	TBD						2 1/2 week mob period
Demobilization/Construction Complete	TBD							Pending successful contractor's project schedule
Prepare Construction Cert Rpt	TBD							Pending successful contractor's project schedule
Submit CCR	TBD							Pending successful contractor's project schedule