

CHAIRMAN Resource

From: Tom Gurdziel <tgurdziel@twcny.rr.com>
Sent: Friday, July 06, 2018 10:22 PM
To: tmoore@postandcourier.com; abrown@postandcourier.com; awilks@thestate.com
Cc: kormanr@enr.com; judys@enr.com; 'Ed Stronski'; Bridget Frymire; techols@psc.state.ga.us; Screnci, Diane; CHAIRMAN Resource; qainfo@nsr.go.jp
Subject: [External_Sender] Surety Bonds & V.C. Summer Units 2 & 3
Attachments: McMaster #9.docx; 259.jpg

Good morning,

I hope to mail this letter out with the picture showing some of my heavy construction experience by Tuesday morning. Looking northeast, I took this picture from the top of one of two oil-fired boilerhouses. Foundation rings for fuel oil storage tanks are to the right. The coal-fired Danskammer Point plant is just left of center. Going down the Hudson River, (to the right), will take you to New York City. The year is 1971, or maybe, 1970. This is the "Roseton" (New York) job.

Thank you,

Tom Gurdziel
Member, ASME



Virus-free. www.avast.com

9 Twin Orchard Drive
Oswego, NY 13126
July 6, 2018

The Honorable Henry McMaster
State House
1100 Gervais Street
Columbia, South Carolina 29201

Dear Governor Henry McMaster:

To me, one of the most intriguing questions related to the SCANA/V.C. Summer Units 2 and 3 construction failures is why we have heard absolutely NO mention of any surety bond insurance coverage. Doesn't it seem like a "no-brainer" decision for high level, regulated utility management to have their customers pay completely for it as a "prudent" expense?

I have no experience with surety bonds and, in fact, I do not believe I even heard of them when I was in the heavy construction industry, which was the late 1960s to just before the 1980s. However, I presently am reading some strong claims as to their value. In fact, the current issue of "ENR, Engineering News-Record", (July 2/9, 2018) presents an entire section, (pages 25 – 43), on them.

Could I recommend that you have a staff member call Ann Kalb, Single Copy Sales, (248-244-6499) and purchase a copy or two, then obtain the services of an insurance-knowledgeable person to read the articles in the section and provide understandable explanations to you? In particular, read the short article "The Performance/Payment Bonds Promise on Public & Private Projects" by Robert Duke on page 34, paying special attention to paragraph 6 which discusses prequalification.

Since construction at V.C. Summer, Units 2 and 3 is not proceeding, I think we can conclude that there is no surety bond. However, I think it would be extremely valuable (perhaps when judging management communication honesty), to find out if surety bond coverage actually was requested but refused during the prequalification process.

Very truly yours,

Thomas Gurdziel

