

MASTER CONTRACT FOR  
ENGINEERING AND TECHNICAL SERVICES

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CHARGES

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MASTER CONTRACT FOR  
ENGINEERING AND TECHNICAL SERVICES

This CONTRACT, effective as of September 16, 1974, by and between The Babcock & Wilcox Company (hereinafter called the COMPANY) and Metropolitan Edison Company (hereinafter called the PURCHASER).

WHEREAS, PURCHASER, from time to time, will require various engineering and technical services in connection with the COMPANY supplied Nuclear Steam Supply System, including the fuel therefor; and

WHEREAS, the COMPANY is willing and able to provide such services, within the limitations of resources currently available within the COMPANY, under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the parties hereto agree as follows:

1.0 SCOPE OF EFFORT

During the term of this Master Contract or any extension thereof as defined in provision 10.0 below, PURCHASER may request from COMPANY and COMPANY shall furnish, to the extent reasonably available to COMPANY, the following services, equipment or materials connected with or in support of PURCHASER'S nuclear power plant at Three Mile Island.

1. Technical, scientific, or engineering advice and consultation.
2. Computer usage as required to furnish such advice and consultation.
3. Materials or equipment required to furnish, or incidental to, such advice and consultation.
4. Simulator training and operator training.

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## 2.0 ORDERING METHOD

Any technical, scientific, or engineering services requested by PURCHASER of COMPANY during the period of this agreement, and furnished by COMPANY, will, when such services are not required of COMPANY under existing Contracts at the time of the request, be governed by the terms of this Master Contract. PURCHASER will use the following method of ordering such services.

1. PURCHASER shall deliver to COMPANY a letter containing a reference to this Master Contract, a statement of the effort desired, financial or other limitations, if any, and a desired completion date.
2. COMPANY shall, within five working days, accept such order or reject it as beyond the scope of the Master Contract or containing an unreasonable completion date or limitation unacceptable to the COMPANY.

## 3.0 PRICE

PURCHASER shall pay COMPANY for technical and engineering personnel, equipment, and other material at the prices indicated in Attachment A, hereto, or the firm price as may be mutually agreed for specific services or equipment.

These rates apply during the normal working day of eight hours on Mondays through Fridays, including intervening holidays not worked and traveling time from headquarters and return and at a rate of one and one-half times the said basic rate for overtime work. In addition, PURCHASER shall pay COMPANY the travel and living expenses of such personnel incidental to the work in accordance with the COMPANY'S standard personnel policies. The overtime rate shall apply to all work or travel in excess of eight hours on Mondays through Fridays and to all work, including travel time, on Saturdays, Sundays and holidays.

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4.0 TERMS OF PAYMENT

All payments under this Contract shall be monthly upon presentation of billing.

5.0 BACKCHARGES

The COMPANY shall not be called upon to make any allowances for material, labor, repairs or alterations made for its account unless authorized by the COMPANY in writing.

6.0 TAXES

The charges provided for herein are exclusive of any present or future Federal, State, Municipal or other Sales or Use tax with respect to the material or services covered hereby, or of any other present or future excise tax upon or measured by the gross receipts from this transaction or any allocated portion thereof, or by the gross value of the material or services covered hereby and of any present or future property tax or other similar charge with respect to the material or services covered hereby. If the COMPANY is required by applicable law or regulation to pay or collect any such tax or taxes on account of this transaction or the material or services covered hereby, then such amount of tax shall be paid by PURCHASER in addition to the charges herein provided for.

7.0 PERMITS

Where the Laws or ordinances or rules and regulations of the United States, or a state, a political subdivision of a state, or an agency or corporate or other instrumentality of one or more of the foregoing, require installation permits or the approval of plans and specifications for the installation of equipment covered by this Contract, or permits or licenses for the use thereof, the PURCHASER assumes the responsibility

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for securing such permits and the approval of said plans and specifications from the proper authorities and for paying any required fees.

The COMPANY will advise and assist the PURCHASER and shall participate in obtaining the necessary licenses and approvals insofar as relates to equipment supplied hereunder.

Each party agrees to cooperate with the other in obtaining and maintaining in effect any license or permit required for activities contemplated under this proposal.

#### 8.0 INDEMNITY AND INSURANCE

##### 8.1 PURCHASER

- A. Until the nuclear energy property insurance is acquired in conformance with Subsection B of this contract, PURCHASER shall provide and maintain insurance in the names of PURCHASER, COMPANY, its suppliers and subcontractors, covering the equipment and systems at the plant against reasonably insurable risks of loss of or damage to the equipment.
- B. PURCHASER, prior to the date of receipt of fuel assemblies at the job site will secure and maintain, nuclear energy, property insurance in an amount equal to the completed value of the project or equal to the maximum amount which can be secured through the insurance pools (NEPIA and/or MAERP), whichever amount is lesser, under which COMPANY will be a named insured. Such insurance shall provide that PURCHASER and the insurance carrier, or carriers, waive any and all rights of recovery and/or subrogation which they or any of them might have or acquire against COMPANY, its suppliers and subcontractors.

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- C. PURCHASER agrees that the material, equipment and/or services to be furnished hereunder shall not be used or operated in connection with a nuclear or atomic energy activity or facility unless and until (d) PURCHASER shall have entered into an agreement of indemnification with the AEC, as provided under Section 170 of the Atomic Energy Act of 1954, as amended, and (b) PURCHASER shall have obtained such policy or policies of insurance, or shall have provided financial protection of such type and in such amounts, as the AEC shall require as a condition of its entering into the indemnity agreement referred to in (a) above. PURCHASER agrees that COMPANY, its suppliers and sub-contractors, shall be included among the persons indemnified under (a) above, and among the named insureds or persons protected under (b) above. PURCHASER agrees to ~~maintain~~ such indemnification agreement, and insurance or other financial protection in full force and effect in conformance with AEC regulations, and generally accepted utility practice, so long as the materials, equipment, and services to be furnished hereunder shall be used.
- D. PURCHASER indemnifies and holds harmless COMPANY, its suppliers and subcontractors against all losses, claims, damages or liabilities arising out of or based upon bodily injury (including death at any time resulting therefrom) and loss of or damage to any property located on or off the site whenever or wherever occurring, when due to the negligence of PURCHASER, in the performance of this Contract or in the operation of the Three Mile Island Nuclear Station, or regardless of negligence when resulting in whole or part directly or indirectly from nuclear reaction.

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nuclear radiation, or radioactive contamination, resulting from incidents at the site, whether controlled or uncontrolled.

8.2 COMPANY

- A. Except to the extent PURCHASER is or would be compensated by insurance secured under Section 8.1 of this Contract or PURCHASER'S other existing insurance coverage, COMPANY indemnifies and holds harmless PURCHASER against all losses, claims, damages, or liabilities arising out of or based upon bodily injury (including death at any time resulting therefrom) and loss of or damage to property occurring prior to completion of work under this Contract and due to the negligence of COMPANY, its suppliers or subcontractors, provided such bodily injury (including death at any time resulting therefrom) and loss of or damage to property does not result from or is not caused in whole or part directly or indirectly by nuclear reaction, nuclear radiation, or radioactive contamination, resulting from incidents at the site, whether controlled or uncontrolled.
- B. For its own protection and for the protection of PURCHASER, with respect to 8.2 (A) above, COMPANY as its sole expense, will secure and maintain in force (and shall cause its subcontractors to secure and maintain in force), during the time employees of COMPANY or of its suppliers or subcontractors are present at the Three Mile Island site for or in connection with the performance of work under this Contract, policies, of insurance of the following types:

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- (1) Workmen's Compensation Insurance with limits of liability at least as high as the statutory limits of liability in any state in which COMPANY may be required to pay compensation;
  - (2) Employers Liability Insurance with limits not less than \$500,000 for each occurrence or disease;
  - (3) Public Liability Insurance: Bodily Injury \$100,000 per person  
300,000 per occurrence  
Property Damage \$ 50,000 per occurrence  
100,000 annual aggregate
  - (4) Comprehensive Automobile Liability Insurance including owned and non-owned automobiles operated by employees of COMPANY or its suppliers or subcontractors with bodily injury limits of not less than \$100,000 for each person and not less than \$300,000 for each accident and with property damage limits of not less than \$100,000 per accident.
- A certificate of such insurance must be filed with and approved by PURCHASER prior to commencement of work under this Contract.

#### 9.0 INDEMNITY - TRAINEES

9.1 The COMPANY may provide training as specified in the Contract for a number of PURCHASER'S personnel. It is understood that PURCHASER intends to have certain of such personnel apply for Senior Reactor Operators licenses from USAEC and for certain others of such personnel to apply for Reactor Operators licenses from USAEC. The COMPANY, at the conclusion of the training program provided hereunder, will furnish to PURCHASER, and to each individual trainee, if applicable

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and if so requested by PURCHASER, a certificate to the effect that the named individual has completed the training program offered by the COMPANY. Such certificates, however, shall not be claimed by any person or persons [including, without limitation, PURCHASER or any of the named individual(s)] as being a certification by the COMPANY with respect to the qualifications or competence of the named individual(s), either jointly or severally, to secure any such license.

9.2 The COMPANY shall not, in any manner, be held liable for, and shall be indemnified and held harmless by PURCHASER from, and against any and all liability for claims, suits, judgments and expenses (including expenses of litigation and/or settlement connected therewith) with respect to damage to or loss of property and bodily injuries, (including death) occurring at any time and from whatever cause sustained by any person or persons (including without limitation, the trainees hereunder, and any and all of their respective heirs, successors, and assigns) and arising out of or connected in any manner with any acts, omissions or failure to act on the part of any of the said individuals, jointly or severally, in the course of seeking such licenses as may be applied for and in the course of the operation of any nuclear reactor.

#### 10.0 TERM OF PERFORMANCE

This Contract shall be effective as of the date stated in the opening paragraph hereof and shall continue in effect for one year thereafter unless extended by mutual written agreement of the parties. This contract may be terminated upon ten (10) days written notice of either party.

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11.0 WARRANTY

The COMPANY will perform the work and services hereunder in a manner consistent with generally accepted standards and practices using qualified personnel. NO WARRANTY OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, OR IMPLIED (INCLUDING WARRANTIES OF FITNESS AND MERCHANTABILITY) SHALL APPLY.

12.0 CONSEQUENTIAL DAMAGES

The COMPANY shall not be liable in any event for loss of anticipated profits, loss by reason of plant shutdown, nonoperation or increased expense of operation of other equipment, or special or consequential loss or damage of any nature arising from any cause whatsoever.

13.0 DELAY IN PERFORMANCE

The COMPANY shall not be liable for any expense, loss or damage resulting from delay or prevention of performance caused by fires, floods, Acts of God, strikes, labor disputes, labor shortages, inability to secure labor or materials, riots, thefts, accidents, acts or failure to act of Government, or any other cause beyond the reasonable control of the COMPANY which may delay or prevent COMPANY'S performance hereunder. In the event of any delay arising by reason of any of the foregoing events, the time for performance shall be extended by a period of time equal to the time lost by reason of such delay; and when the COMPANY is providing engineering or technical services or equipment under this Contract at a site other than that owned or controlled by the COMPANY and the retention of the personnel providing such services is requested by the PURCHASER, the PURCHASER shall pay the COMPANY at the rates specified in this Contract for such delays.

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#### 14.0 OPERATION OF EQUIPMENT

Inasmuch as the technical and engineering personnel are authorized only to advise and consult with and perform professional services for the PURCHASER, and no representative of the COMPANY is authorized or licensed to operate any of the PURCHASER'S equipment, all operation of such equipment shall be performed by the PURCHASER. Although the COMPANY personnel performing the Contract work shall cooperate with and assist personnel of the PURCHASER, said personnel shall at all times remain in the employment of and under the control of the COMPANY.

#### 15.0 PROPRIETARY INFORMATION

Any proprietary information concerning the COMPANY'S, its suppliers' and subcontractors' products, services or manufacturing processes which are designated as proprietary information by the COMPANY and disclosed to the PURCHASER incident to the performance of this Contract shall remain the property of the COMPANY and are disclosed in confidence, and no rights are granted to the PURCHASER to produce or have produced any such products or to practice or cause to be practiced any such manufacturing processes or other processes.

#### 16.0 DATA

The COMPANY shall have and retain the right to publish, use, have used, and permit others so to do any information or data used, developed, or acquired by COMPANY in the course of performance of the work subject to advance approval by the PURCHASER, unless otherwise specifically provided in this order or Contract.

#### 17.0 PATENT INDEMNITY

17.1 The COMPANY shall defend at its own expense any suit or action

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brought against the PURCHASER based on a claim that any method or process of performing the work furnished hereunder constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information, and assistance for the defense of same, and the COMPANY shall pay all damages and costs awarded therein against the PURCHASER.

17.2 PURCHASER agrees to indemnify and to defend COMPANY, at PURCHASER'S expense, including without limitation, any and all claims, suits, and expenses arising out of, or in connection with, allegations of infringement of any Letters Patent occurring in the performance of the work hereunder as a result of following specific instructions of the PURCHASER in connection therewith or occurring in the utilization by the PURCHASER of any material or data procured hereunder at PURCHASER'S direction whether such allegations of infringement are proved or not. PURCHASER further waives any claim it might have or acquire in respect to infringement by COMPANY of any Letters Patent owned or controlled by PURCHASER which are required to be utilized in the performance of the work hereunder by the COMPANY, but such waiver shall extend only to such use as is necessary for the proper performance of such work and to no other use.

18.0 NOTIFICATION OF CLAIMS

PURCHASER shall notify the COMPANY immediately by Registered Mail addressed to General Manager, NPGD, P.O. Box 1260, Lynchburg, Virginia, 24505, of all claims brought against the PURCHASER for which the COMPANY may be liable, and the COMPANY shall notify the PURCHASER immediately by

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Registered Mail addressed to the PURCHASER at P.O. Box 580, Middletown, Pennsylvania, 17057, of all claims brought against the COMPANY for which the PURCHASER may be liable.

19.0 ARBITRATION

Either party may request that any question in dispute between the parties arising out of this Contract which cannot be amicably settled shall be submitted to final and binding arbitration. Any controversy or claim arising out of or relating to this Contract or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitrators Association, and the judgment upon the award rendered by the Arbitrators may be entered in any Court having jurisdiction thereof.

20.0 APPLICABLE LAW

The laws of the state of New York shall govern the interpretation of the Contract.

21.0 INTEGRATION

There are no understandings between the parties hereto as to the subject matter of this Contract other than as herein set forth. All previous communications between the parties hereto, either verbal or written, are hereby abrogated and withdrawn and the acceptance of this Contract with the specifications, drawings, and accompanying letters specifically referred to herein constitute the whole agreement between the parties hereto. The Contract cannot be assigned nor may the general conditions be modified except by a duly approved agreement signed by both parties. Any provisions of a purchase order or specification which may be issued after this Contract has been executed by the PURCHASER and which are

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additions to or in conflict with the provisions of this Contract shall not be binding on the COMPANY unless duly approved in writing by both parties to the Contract.

22.0 VERIFICATION OF CHARGES

PURCHASER reserves the right to verify any charges presented by the COMPANY against this Contract.

23.0 SURVIVAL

Termination of this Contract not withstanding, Articles 6.0, 8.0, 9.0, 11.0, 12.0, 13.0, 15.0 and 17.0 shall apply.

Executed by the parties this 27th day of March 1975. 1975

METROPOLITAN EDISON COMPANY  
PURCHASER

By R. D. Brull  
Title Vice-President (Seal)

Attest: T. B. L.  
Secretary

THE BABCOCK & WILCOX COMPANY

By -77. H. H. H.  
Title Manager, Contracting Dept. (Seal)  
Nuclear Power Gen. Div.

Attest: Thos. D. Case

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# ATTACHMENT A

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## Rates for Master Contract for Engineering Services, Repair Work, Equipment and Parts

### A. Personnel Services

The rates below apply during the normal working day of eight hours on Mondays through Fridays, including intervening holidays not worked and traveling time from headquarters and return. A rate of one and one-half times the said basic rate applies for overtime worked. The overtime rate shall apply to all work and travel in excess of eight hours on Mondays through Fridays and to all work or travel on Saturdays, Sundays and holidays.

PURCHASER shall pay COMPANY, at cost, for travel and living expenses of personnel incidental to the work in accordance with the COMPANY's standard personnel policies.

1. NSSS Project Manager	\$45.00 per hour
2. Resident Service Project Manager & Supervisory Engineer	\$37.50 per hour
3. Research Division Personnel	\$40.00 per hour
4. Draftsman	\$21.00 per hour
5. Computer Programmer	\$22.00 per hour
6. Principal Engineer & Reactor Diagnostic Engineer	\$36.00 per hour
7. Engineer	\$36.00 per hour
Reduced rate for committed engineer assignment of 4 to 12 months	\$32.00 per hour
Reduced rate for committed engineer assignment of greater than 12 months	\$27.00 per hour

Committed engineer assignments shall be as agreed to by COMPANY and PURCHASER, in writing, for a particular task. The COMPANY reserves the right to temporarily withdraw or permanently replace personnel on long-term committed assignment with a no increase in rate penalty to PURCHASER. Upon commitment to a long-term assignment, credit toward total calendar duration shall be given for previous continuous service on the assignment which is to be extended. Reduced rates shall apply for the committed assignment period, beginning upon agreement to the committed assignment. In the event of premature termination of a long-term commitment, by the PURCHASER, the PURCHASER will be charged at the rate applicable to the duration of the actual service.

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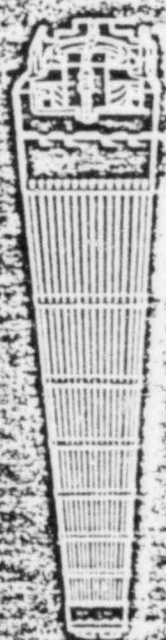
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UNIRELOAD FUEL CONTRACT A



**Volume II**  
**Reload Fuel Supply**  
**Technical Data**

**Babcock & Wilcox**