

BALCH & BINGHAM

ATTORNEYS AND COUNSELORS

POST OFFICE BOX 308

BIRMINGHAM, ALABAMA 35201

(205) 251-8100

May 6, 1986

Handwritten: Mr. Burch

S. EASON BALCH
 JOHN BINGHAM
 SCHUYLER A. BAKER
 FRANK H. HAWTHORNE
 HAROLD WILLIAMS
 MAURY O. SMITH
 WILLIAM J. WARD
 ROBERT M. COLLINS
 HAROLD A. BOWSON, JR.
 CAREY J. CHILWOOD
 A. KEY FOSTER, JR.
 JOHN S. BOWMAN
 THOMAS W. THASARD, JR.
 CHARLES M. CROOK
 STERLING G. CULPEPPER, JR.
 EDWARD S. ALLEN
 WARREN H. GOODWIN
 ROBERT A. BULTNER
 JAMES O. SPENCER, JR.
 H. HAMPTON BOLES
 C. WILLIAM GLADDOEN, JR.
 MICHAEL L. EDWARDS
 MARSHALL TIMBERLAKE
 WALTER M. BEALE, JR.
 RODNEY O. HUNDT
 JAMES F. HUGHEY, JR.
 S. EASON BALCH, JR.
 JOHN P. FLOTT, JR.
 S. ALLEN PARKER, JR.
 J. FOSTER CLARK
 STANLEY M. BROCK
 RANDOLPH H. LANIER

DAVID R. BOYD
 JOHN RICHARD CARRIGAN
 WILLIAM E. SHANKS, JR.
 T. DWIGHT SLOAN
 S. REVELLE GWYN
 JAMES H. MILLER, III
 RALPH F. MACDONALD, III
 STEVEN G. MCKINNEY
 STEVEN F. CASEY
 MALCOLM N. CARMICHAEL
 RICHARD L. PEARSON
 BRIAN D. ROE
 JAMES A. BRADFORD
 DAN H. MCCRARY
 EDWARD B. PARKER, II
 WILLIAM P. COBB, II
 WILLIAM S. WRIGHT
 JOHN J. COLEMAN, III
 PATRICK H. LUCAS
 JOHN F. MANOT
 ROBERT L. SHIELDS, III
 ALAN T. ROGERS
 M. STANFORD BLANTON
 ELLEN G. RAY
 KEITH S. NORMAN
 T. KURT MILLER
 J. THOMAS FRANCIS, JR.
 SUSAN B. BEVILL
 PAUL A. BRANTLEY
 PATRICIA A. HIGGEE
 JONATHAN S. HARBUCK
 DAVID G. REENE

600 NORTH 18TH STREET
 BIRMINGHAM, ALABAMA 35203
 TELECOPIER (205) 252-0420

FINANCIAL CENTER OFFICE
 SUITE 700
 505 NORTH 20TH STREET
 BIRMINGHAM, ALABAMA 35203
 TELECOPIER (205) 252-1074

MONTGOMERY OFFICE
 THE WINTER BUILDING
 2 COLTIER AVENUE
 COURT SQUARE
 POST OFFICE BOX 78
 MONTGOMERY, ALABAMA 36101
 (205) 234-6500
 TELECOPIER (205) 269-0428

OF COUNSEL
 D. PAUL JONES, JR.
 EDWIN W. FINCH, III

Mr. Robert H. Burch, Investigator
 Office of Investigations Field Office, Region II
 101 Marietta Street, Suite 3100
 Atlanta, Georgia 30303

RE: Nuclear Regulatory Commission Investigation - Farley Nuclear Plant

Dear Mr. Burch:

This law firm has been engaged to represent those clients shown on Attachment I to this letter, for all matters, formal or informal, that are related to the investigation being conducted by the Nuclear Regulatory Commission (NRC) at the Joseph M. Farley Nuclear Plant (FNP). Please do not contact any of the individuals without first contacting us and, in the case of Alabama Power Company, please do not contact any officer, director, managing director, general manager or manager without first contacting us.

As an initial matter we inform you that our clients are anxious to cooperate with you in your investigation, are willing to be interviewed by you, subject to the terms and conditions later stated in this letter, and are desirous of assuring that you have full, fair and complete access to relevant and material evidence that touches or concerns the allegations which you are investigating.

As part of the aforementioned promise, however, we call your attention to the fact that you have repeatedly refused to identify the allegations under investigation, or allow us to confront our client's accuser(s) if such may be the case, which, in our view is contrary to fundamental principles of fairness and due process of law. Thus, our client's undertaking should not be viewed by you as a waiver of any rights, procedural or substantive which they may have, rather, it should be viewed as an expression of our client's intent to assist you in performing a thorough, timely and objective investigation.

In the event you wish to discuss any matter under investigation with one or more of our clients, then we propose the following terms and conditions for your consideration:

ATTACHMENT 1

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 PDR COMMS NRCC
 CORRESPONDENCE PNU

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1. Interviews normally will be conducted at Farley Nuclear Plant in a conference room provided for them and, at a time reasonable and convenient for all concerned. Individual work schedules may require modification and we commit to accommodating any reasonable request.
2. An attorney from this office must be present during all aspects of the interview.
3. If the interviewee so desires, then a personal representative of their choosing may also be available. This condition is a recognition that the interviews will likely be highly technical and hence someone with an adequate technical background may need to be present to ensure that all questions are understood by the interviewee.
4. A stenographic transcript or recording may be made of the entire interview and a copy provided to you. If transcribed then it will be reviewed for accuracy by the interviewee and signed. At anytime if the interviewee needs to amplify, amend, correct or supplement a response then he will be afforded the opportunity to do so.
5. The transcript or recording will not be released to any person, firm, corporation, agency or other entity outside of the NRC without the written consent of the interviewee. Upon conclusion of the investigation the transcript, together with any copies, will be returned to the person interviewed.
6. Documents and things about which an interviewee may be questioned shall be identified for the record and made a part of it. The interviewee shall have an opportunity to review the document or thing before answering questions about it.
7. Questions directed to the interviewee must be material and relevant to the investigation of the allegations pending with the NRC. Questioning may not be hostile, belligerent, over-burdensome or harassing. Complete answers to all questions will be allowed together with such explanation as may be necessary.
8. Attendance at the interview is voluntary and may be terminated by the interviewee at any time and for any reason.

We reiterate the willingness of our clients to assist you in your investigation. Since only you know the allegations then only you know which, if any, of our clients may have information that is helpful to you. Since you have already telephoned some of them to ask questions about plant procedures, we assume that you have matters which you would like to

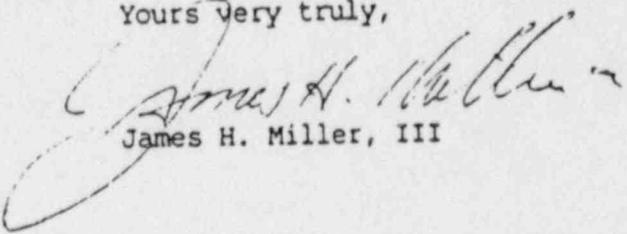
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discuss. On their behalf, as well as those who have not been called, we are ready to be of service.

Finally, we remind you that we are counsel to Alabama Power Company in the case of Smith vs Alabama Power Company, CV-84-1591 in the Circuit Court of the Tenth Judicial Circuit, Jefferson County, Alabama. In the event you wish to discuss matters relevant to that litigated case with persons other than identified on Attachment I then we remind you that they, too, may be our clients and you may not interview them without our permission.

Please don't hesitate to call us should you have any questions concerning this matter.

Yours very truly,



James H. Miller, III

JHM;jl

Attachment

ATTACHMENT I

William R. Bayne
Richard Bloom
Paul E. Bronold
James Q. Bryan
Timothy M. Burr
Harry V. Crine-
Elwynn Dennis
Don E. Grissette
James B. Geiger
J. P. Higginbotham
Jolynn K. Kuryla
Maxon O. McGilvray
Martin W. Mitchell
David N. Morey, III
Jeffrey A. Morrow
Charles D. Nesbitt
Robert E. Sleeman, Jr.
Mitchell Walters
Wade Warren
Gregory E. Whigham
J. D. Woodard

Alabama Power Company and its officers, directors, managing directors,
or managers.

Any present or past employees of Alabama Power Company who has
information useful to its defense in the case of Smith vs Alabama
Power Company.

Any other person who may subsequently employ Balch & Bingham as their
attorn .