

GENERAL ELECTRIC

APPARATUS AND ENGINEERING SERVICES OPERATIONS
GENERAL ELECTRIC COMPANY • P.O. BOX 10577 • TAMPA, FLORIDA 33679 • (813) 832-1179

May 31, 1985

Freeman, Richardson, Watson & Kelly, P.A.
1200 Barnett Bank Building
Jacksonville, Florida 32202
Attn: Mr. John L. McWilliams, III

Subject: Timber Energy Resources
Telogia Bio-Mass Power Plant

Gentlemen:

In response to your request, I would like to offer the following information concerning the present status of this project.

General Electric began work on February 1st, 1985, following receipt of the initial payment of \$866,000. At this time final negotiations with our major sub-contractor, the McBurney Corporation, were commenced in order to fully release the boiler system for final design and procurement. A detailed project milestone schedule was established to form the basis of progress payments, this was delivered to the customer in mid-March.

The project is on schedule as of this date. Design engineering is approximately 20% complete, orders have been placed for the turbine-generator and the boiler system. Other major components with the longest delivery cycles have been specified, competitively bid, and orders will be placed in early June. These components include, but are not limited to the following: main step-up transformer, main circuit breaker, cooling tower, condenser, switchgear, and various electrical sub-station components. The plant electrical one-line diagram has been finalized and is in compliance with all inputs from Florida Power Corporation regarding the interconnect requirements.

Draw-down against the bond proceeds to-date has been as follows:

<u>Invoice Amount</u>	<u>Date Issued</u>	<u>Status</u>
\$866,000.00	1/85	Paid/2-1-85
134,200.00	4/16/85	Paid
44,300.00	5/07/85	Paid

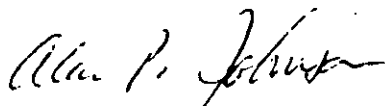
In general, the project is on schedule for completion in July 1986. Mobilization and commencement of on-site activities will begin during the forth quarter of this year.

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I sincerely hope that the above information satisfies your needs. If I can be of any further assistance please do not hesitate to call.

Very truly yours,


Alan P. Johnson

APJ/bsp

cc: C. J. Bailey, Jr.
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Houston, TX 77056

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Rotan Mosle, Inc.
1500 S. Tower
Pennzoil Place
Houston, TX 77002

M. G. Thomas
GE/Norcross