Jill M. Blundon  
Vice President and Secretary  
Beazer East, Inc. c/o Three Rivers Mgmt., Inc.  
One Oxford Centre, Suite 3000  
Pittsburgh, PA 15219-6401

John Morris  
Honeywell International Inc.  
101 Columbia Road  
Morristown, NJ 07962-1057

Donna Riccobono  
Assistant General Counsel  
National Grid  
One MetroTech Center  
Brooklyn, New York 11201

Re: Island End River/FCTPF--Everett, Massachusetts  
Natural Resource Damage Claim

Dear Ms. Blundon, Mr. Morris and Ms. Riccobono:

I write regarding the Former Coal Tar Processing Facility (FCTPF) in Everett, Massachusetts. As the trustee for natural resources (Trustee), I, as Secretary of Energy & Environmental Affairs (EEA), am responsible for ensuring that the Commonwealth is adequately compensated for injury to and for destruction or loss of natural resources, including the costs of assessing and evaluating such injury, destruction or loss, incurred or suffered as a result of a release or threat of release of oil or hazardous materials under Mass.Gen.L. ch 21E, § 5(a)(ii) (ch. 21E), the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.

It is my understanding that KeySpan Corporation (KeySpan), Honeywell International Inc. (Honeywell), and Beazer East, Inc. (Beazer) are each potentially responsible parties (PRPs) with respect to releases of oil and hazardous materials from the FCTPF (the “Releases”).\(^1\) I further understand that the Releases have migrated into the tidal waters, sub-tidal sediments, and inter-tidal sediments of the Island End River. To date, KeySpan, Honeywell, and Beazer have participated in discussions with representatives from EEA and the National Oceanographic and Atmospheric Administration (NOAA), the state and federal natural resource trustees (Trustees), concerning the extent of natural resource injuries and potential restoration projects associated with the Releases. As a result of these discussions it is my further understanding that KeySpan, Honeywell, and Beazer have each agreed to enter into an administrative settlement agreement with NOAA under which each PRP would pay $100,000 in natural resource damages to NOAA to settle claims for injury to natural resources associated with the Releases. The Trustees will use the funds from this administrative settlement to: reimburse their past assessment costs for this matter; conduct a wetland restoration project in the watershed to benefit natural resources impacted by the Releases, and; fund future monitoring and oversight costs for such restoration, as deemed appropriate by the Trustees.

More specifically, the Trustees propose to undertake a restoration project of a determined acreage on Oak Island. The proposed restoration project area lies adjacent to an approximately 4.38 acre parcel that KeySpan, Honeywell and Beazer have previously committed to restore to meet wetland mitigation requirements resulting from remediation activities associated with the releases. Please note, however, that NOAA must comply with the requirements of the National Environmental Policy Act (NEPA) prior to conducting this proposed project.

I have been informed that KeySpan, Honeywell, and Beazer welcome the potential restoration partnering opportunity and have been cooperating with NOAA in the process of designing and seeking permits for the additional restoration on Oak Island proposed by the Trustees. As Trustee, I believe that collectively these actions would provide appropriate compensation for any injury to, destruction of, loss of, or lost use of natural resources that has resulted from the Releases.

Therefore, in consideration of and contingent on: (1) the execution by each of the PRPs of an administrative settlement agreement with NOAA collectively requiring a total payment of $300,000 to settle natural resources damages claims associated with the Releases; (2) cooperation by the PRPs in the design and permitting of the Trustees’ additional restoration work at Oak Island; and (3) information currently available to the Trustees regarding the Releases; I will take no further action as Trustee to bring a claim for natural resource damages against KeySpan, Honeywell or Beazer (or any of their affiliates) resulting from the Releases’ contamination of Island End River and will not refer the matter to the Office of the Attorney General for any enforcement action. Further, and as qualified above, I will not take any additional action to

\(^1\) The FCTPF has been assigned Release Tracking Number (RTN) 3-0309 by the Massachusetts Department of Environmental Protection. The scope of this letter is limited to extent of releases covered by that RTN.
assess and evaluate injury, destruction or loss, incurred or suffered as a result of the Releases’ impact on the Island End River. Please understand that this pledge to take no further action applies only to EEA’s claims for natural resource damages and does not apply to any other state or federal entities. Nothing in this letter shall be construed or operate as barring, diminishing, or in any way affecting the authority of the Massachusetts Department of Environmental Protection (MassDEP) to: (a) to collect on any claims for response costs, remedial costs, or penalties that may otherwise exist under M.G.L. c. 21E and the Massachusetts Contingency Plan (“MCP”), 310 CMR 40.0000 (b) perform response actions relating to the Releases; or (c) require any of the PRPs to conduct response actions at the Site in order to comply with all applicable laws and regulations including, without limitation, M.G.L. c. 21E and the MCP.

I commend KeySpan, Honeywell, and Beazer on their cooperation with the Trustees on this matter and encourage them to continue efforts towards completion of their outstanding cleanup obligations for the FCTPF Site.

Sincerely,

Ian A. Bowles

Cc: Alicia B. McDevitt, Esq.
Dale C. Young, NRD Program Coordinador
Gwendolyn McCarthy, Esq. (NOAA)