June 3, 1965

WORK STARTED ON BAKER SLIDE

No significant action has shown up in the unstable hill above the Baker River powerhouse for the past week, so this week crews began working on the lower edge of the slide, preparatory to removing the huge accumulation south of the wreckage of the buildings.

The transformer from the small substation unit was salvaged this week. Officials are still studying means and methods of removing the earth slides and getting to the job of seeing what can be salvaged from the powerhouse itself.

Norman McKinney, construction superintendent in charge of Stone & Webster operations here during the building of the Upper Baker Dam and the addition to the Lower Baker Powerhouse, arrived in town last week to aid in planning the salvage work and new construction that will be required later.

Morrison-Knudsen contractors will be moving in soon to take over the primary work of clearing the debris from the site. About twenty men are expected in the first crew.

FIVE MILLION INSURANCE

Losses to Puget Power in the destruction of their power station and the three huge generators has not been accurately determined. A $5 million all-risk policy had been carried on the installation. The $5 million risk was handled by ten insurers and written by D. K. MacDonald & Co. There is a $100,000 deductible clause.

The loss will probably be the biggest insured loss in Northwest history, eclipsing the $4 million loss paid when the first Tacoma Narrows bridge broke up in a high wind.

The policy was first written in 1960 and renewed each three years since that time. Coverage is stated to be on a replacement basis.