

**MINUTES OF THE
SPECIAL MEETING OF THE PARTICIPANTS REVIEW BOARD
MULTIPURPOSE FACILITY – GLENN C. WALKLEY ROOM
3000 GEORGE WASHINGTON WAY
RICHLAND, WASHINGTON
DECEMBER 11, 2013 – 10:00 A.M.**

ROLL CALL:

Karl Denison, Chair
Michelle Caird
Steve Houston
Ben Kostick
Stu Nelson
Paul Rogers
Susan Thraen

OTHERS PRESENT: Executive Board members J. Janda, S. Morrison, S. Orser, W. Purser, T. Sheldon, and K. Vaughn; A. Rapacz, Bonneville Power Administration; and B. Johnson, PSAV Audio Services.

STAFF PRESENT: M. Reddemann, D. Atkinson, B. Dutton, G. Hettel, J. Irvan, P. Lilly, M. Paoli, B. Ridge, B. Sawatzke, L. Willey, J. Windham, and S. Barwick.

The Participants Review Board (PRB) meeting was called to order by Chair Karl Denison at 10 a.m., in the Glenn C. Walkley Room of the Multipurpose Facility, Richland, Washington. There was a quorum present.

APPROVAL OF MINUTES

The minutes of the Regular Participants Review Board Meeting held on May 22, 2013, were presented for consideration. Ms. Caird moved that the minutes be approved as presented. Mr. Rogers seconded the motion. MOTION CARRIED.

PROJECTS FOR PRB REVIEW (OVER \$500,000)

D. Atkinson, Vice President, Vice President, Employee Development/Corporate Services, introduced D. Dale, Supply Chain Services Manager, and stated that Chair Denison requested a quarterly report to provide a heads up to board members of upcoming contracts over \$500,000 requiring PRB review. He advised that PRB members have also expressed some concern regarding sole source procurements, so the report includes the procurement method for each of the contracts/projects being reported. He noted that PRB members will get a Findings of Fact document for each of the procurements. In addition, the Bonneville Power Administration (BPA) has the right of non-disapproval and participates in review meetings.

Mr. Dale asked PRB members to provide comments and feedback so that staff can adjust the presentation going forward to meet their needs.

Mr. Dale provided brief overviews of the following contracts anticipated to be forwarded to PRB members during the third quarter of FY 2014:

INFORMATION SERVICES

- Windows Service Life Cycle Project for Windows server hardware and services. This is a firm fixed contract total \$520,000 including taxes using the competitive procurement process.
- Network Life Cycle Project for network hardware design and equipment. The estimated contract value is between \$520,000 and \$600,000 using the competitive procurement process.

PROJECTS

- Feedwater Flowmeters – installation of a leading edge flowmeter system on the reactor feedwater lines to decrease uncertainty in feedwater flow measurements. The estimated contract value approved by the Project Review Committee (PRC) is \$1,874,000 using the sole source method of procurement because there are no other vendors that supply these meters for commercial nuclear plants.

Discussion ensued regarding the definition of a flowmeter, the potential increased output of 5 to 10 megawatts from the installation of this system, and increased accuracy over the current system being used at Columbia.

- Fuel Pool Cooling Assist Mode Piping Modification – for fabrication and installation of valved pipe spools which will enable the station to work on valves that are part of the isolation for the shutdown cooling mode of Columbia's residual heat removal system. The estimated contract value approved by the PRC is \$900,000 using the competitive procurement process.
- Stack Monitor - The stack monitor provides the required monitoring of effluents released from the reactor building during both routine and post-accident conditions. Due to the high visibility of this system with both the State and NRC inspection teams, the contract has incorporated multiple risk mitigation measures to assure timely delivery of a quality long-term reliable system replacement. The contract value is \$650,000 using the competitive procurement process.
- Critical Spare Back-up and Normal Transformers – procurement of two spare transformers to be maintained as critical spares. The contract value is \$830,000 using the competitive procurement process.
- Independent Spent Fuel Storage Installation (ISFSI) Expansion – This is a sole source procurement as Holtec is the original equipment manufacturer of the spent fuel storage system. They will be providing engineering services with drawings and specifications deliverable for the construction of the expanded installation. The estimated contract value is \$650,000.
- ISFSI Expansion Architect/Engineering Contract – an engineering services contract to support and augment the work products from Holtec. Holtec work products will not include necessary electrical, security, fencing and cyber security design aspects. This

contract will complete the design requirements necessary to process a Plant Design Change. The estimated contract value is \$650,000 using the competitive procurement process.

- Self-Engaging Rapid Dewatering System – for fabrication and 10-year lease of a complete system. When fuel is loaded into the ISFSI casks, they pump water out of the cask and replace it with helium. The estimated value is \$1,320,000 using the competitive procurement process.

OUTAGE SUPPORT

- Turbine Generator Maintenance Services – for labor services for outage repair and maintenance on the turbine generator. The estimated contract value is \$7,000,000 using the competitive procurement process.

EMERGENCY PREPAREDNESS

- Oregon Department of Energy – This is a sole source procurement for consulting services contract to support Columbia's emergency preparedness and response efforts. The estimated contract value is \$772,797.

ORGANIZATIONAL PARTICIPATION FEES (these contracts cannot be competed)

- Electric Power Research Institute (EPRI) – contract value is \$1,507,283.
- Institute of Nuclear Power Operations (INPO) -- contract value is \$1,300,000.
- Boiling Water Reactor Owners Group (BWROG) -- contract value is \$713,362.

Hearing no further discussion, the next item on the agenda was addressed.

DEBT MANAGEMENT/DEBT EXTENSION PLANS

J. Irvan, Treasury Manager, provided background information on the Debt Optimization Program (DOP) and reported that staff has been working with BPA to issue bonds in the spring of 2014 for the extension of Columbia bonds maturing in either FYs 2014 or 2015 and funding Columbia's capital program for both FYs 2014 and 2015. He provided an overview of the following Columbia financing plan for 2014:

- Extension Candidates
 - Fiscal Year 2014: \$47.5 million
 - Fiscal Year 2015: \$132.9 million
- Capital Funding
 - EN Fiscal Year 2014: \$111.4 million
 - EN Fiscal Year 2015: \$118.5 million

Mr. Irvan reviewed the timeline for debt management actions, as follows:

- PRB and Energy Northwest letters of support – August 2012 (completed)
- FY 2014 Treasury budget presentation – March 2013 (completed)
- FY 2014 budget approval – May 2013 (completed)
- Executive Board Debt Management Workshop – January 2014
- 2014 bond resolution approval – February/March 2014
- 2014 bond closing – April 2014

Discussion ensued with respect to the length of the extension on the bonds, the impact of Columbia's license extension on bonds, future interest rate forecasts, net present value and total dollar thresholds, capital improvement financing, and levelizing the debt service on BPA's total debt.

OPEN DISCUSSION

Additional discussion ensued regarding debt extension plans, adoption of an overarching policy for debt management to manage the debt for the overall savings to the region, the importance of Columbia as a regional asset, and the potential for Energy Northwest to be used as a vehicle to level future rate cases.

PRB members thanked staff for providing information on the Physicians for Social Responsibility and the McCullough Report.

Mr. Morrison announced that Columbia just passed the milestone of 10 million hours without a lost-time accident.

Chair Denison asked for a fact check on Fukushima. Mr. Sawatzke advised that in an effort to avoid redundant presentation, he will be providing his CNO Report an update on Fukushima at the beginning of the Executive Board meeting. Chair Denison encouraged PRB members to stay for those presentations.

MEETINGS

Chair Denison announced the following upcoming PRB meetings being held at the Holiday Inn Express in Pasco, Washington:

- Special Joint Executive Board/Participants Review Board Budget Review – March 18, 2014
- Regular Participants Review Board Meeting – March 18, 2014

Hearing no further discussion, Chair Denison thanked everyone for their participation and adjourned the meeting at 11:20 a.m.

Respectfully submitted,

S. L. Barwick
Board Relations Specialist