Sargent & Lundy Agreement 88a-MS1

Engineering Services for the Addition of Multi-Pollutant Control Equipment (MPCE) at Gerald Gentleman Station (GGS)

Task Authorization 4700001394

NPPD Board of Directors Meeting

June 2011

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Background

- Sargent & Lundy (S&L) was previously engaged to provide services for Multi-Pollutant Control Equipment (MPCE) work at GGS (2007-2009)
  - Developed optimum MPCE configuration based on technical issues and costs (capital and O&M)
  - Developed initial MPCE contracting options
  - Developed initial permitting requirements
  - Developed initial versions of "contract ready" specifications for major long lead time components
- The work was suspended at the end of 2009 since the major objectives of the project had been met and the environmental regulations were not clear

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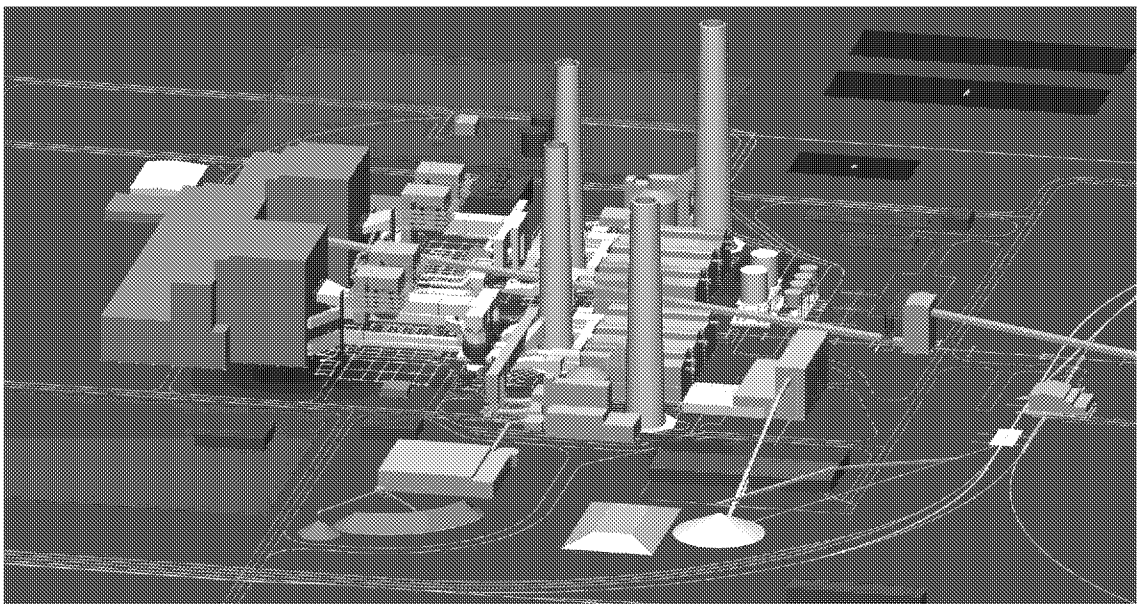

MPCE Conceptual Design for GGS

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Current Situation

- High probability of additional environmental regulations ("Train Wreck Diagram")
- The anticipated timeline for compliance with any new environmental regulations appears to be very short
- As a result, management has decided that it would be prudent to continue with the previous multi-pollutant control equipment work at GGS

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Scope of Task Authorization 4700001394

- Complete MPCE-related design/engineering work assuming
  - Wet flue gas desulfurization (FGD) equipment for SO_2/acid gas control
  - Activated carbon injection (ACI) for mercury control
- Complete detailed specifications for major MPCE equipment (wet FGD islands, chimneys, large fans, large transformers, ACI equipment, material handling equipment)

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Scope of Task Authorization 4700001394 (cont.)

- Develop contract specifications for the balance of required MPCE-related appurtenant equipment (initial site work, bus ducting, buildings, auxiliary transformers, general works, zero liquid discharge system, continuous emissions monitoring system, and distributed control system interface)
- Complete the permitting activities related to the MPCE project
- Provide updated project schedule and cost estimate (capital and O&M) information

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Scope of Task Authorization 4700001394 (cont.)

- This work will conclude with the development of ready to issue contract documents
- It does not include typical Owner's Engineer construction services, such as:
  - Detailed design activities to support construction
  - Post-contract award vendor interface activities
  - Completion of detailed installation specifications
  - Vendor drawing reviews and approvals

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Scope of Task Authorization 4700001394 (cont.)

- The estimated amount for the Task Authorization is $2,400,000
- This Task Authorization includes 20,500 man hours of work for an average hourly rate of $117 per man hour, which is the same as the original S&L task

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Vendor Selection

- S&L was selected for the previous work scope based on an evaluation of competitive proposals for the work
- Original award was based on
  - S&L's extensive experience in the power industry
  - S&L's specific experience at GGS
  - Lowest average hourly rate of any of the respondents of $117 per man hour
- Recommendation for this task is based on excellent performance and continued low man hour rate