

Keeping Current

June 2012



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Learn it. Live it.



Washington Gov. Chris Gregoire addresses Energy Northwest employees at Columbia Generating Station's license renewal celebration as CEO Mark Reddemann listens. (Dan Ostergaard photo)

Political, Civic Leaders Celebrate Columbia's License Renewal

By Kevin McCullen, Energy Northwest

Upcoming Events

Board of Directors
July 25, Richland

Executive Board
July 26, Richland

Political and civic leaders affirmed Energy Northwest's status as a safe, reliable and clean provider of affordable power to the region during a celebration on May 24 of Columbia Generating Station's license renewal.

Employees, elected officials, members of Energy Northwest's Executive Board and dignitaries gathered at Energy Northwest to hear Gov. Chris Gregoire, Executive Board Chair Sid Morrison and Bonneville Power Administration Administrator Steve Wright hail Columbia's license renewal. Sen. Patty Murray, and Rep. Doc Hastings, provided pre-taped audio remarks congratulating Energy Northwest and its employees for the renewal of Columbia's license to operate until 2043.

"I'm very proud to be part of this agency and to stand with you today and recognize the men and women of Energy Northwest, and to again say thank you to the entire license renewal team," CEO Mark Reddemann told a crowd of about 450.

"Today was only possible because the people

behind the megawatts remain committed to upholding the highest standards of our industry," said Reddemann.

Gregoire took a tour of Columbia after the ceremony and later met with the Executive Board and Energy Northwest senior management. She thanked employees "for all you have done to make this day possible."

She said she supported license renewal because she believes nuclear energy is a key power source for Washington now and into the future.

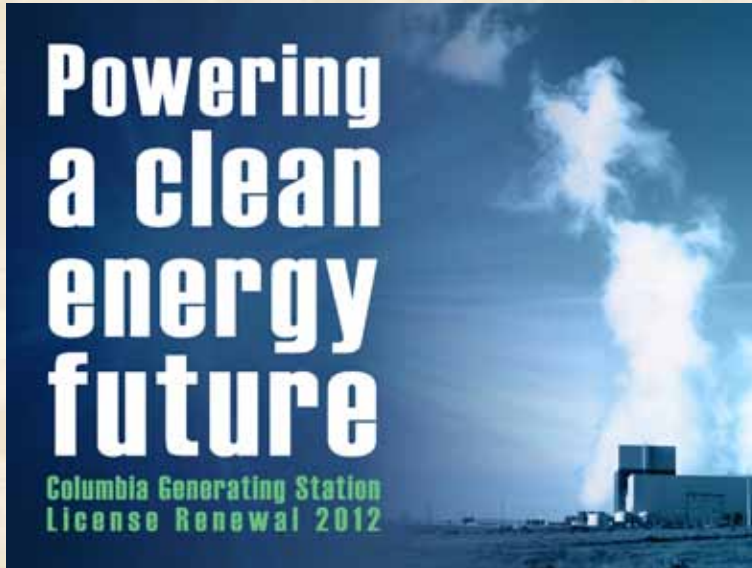
"Nuclear power has its place in the current and future production of electrical power for our nation," Gregoire said. "I know that it can provide reliable and affordable baseload power over the very long term. It can produce that power without greenhouse gas emissions. That is why I endorsed the re-licensing of our plant. It is a cornerstone of power production in the Pacific Northwest."

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In pre-recorded comments, Hastings said license renewal would not have been possible without an ongoing commitment to safety by employees. "I will continue to do everything I can to support your current operations and to encourage the further development of nuclear energy in our state," Hastings said.

Murray said in her pre-recorded remarks that she was proud to represent the only commercially operated nuclear power plant in the Pacific Northwest.



"I was very impressed to learn Columbia Generating Station produced over 7,000 gigawatt hours of electricity in 2011," Murray said.

"And what's even more impressive is the steadfast commitment of Energy Northwest management and workers to safety and the environment. These issues are very important to me and I commend you for your continued attention to keeping the community safe and our environment clean," Murray said.

It was a particularly poignant moment for Morrison, who as the congressman for the district that includes southeastern Washington attended the ceremony marking Columbia's debut nearly 30 years ago.

"I consider this plant an awesome symbol of Washington public power," Morrison said, "encouraging employees to celebrate the achievement of license renewal.

Morrison also noted Columbia entered Refueling Outage 20 after its longest-ever run of 505 days, and work on an array of equipment during the outage resulted in a gain of 22 extra megawatts of power for a generation average of more than 1,170 megawatts – the equivalent increase of \$6 million a year in market value power.

"I've had the pleasure of watching performance trends these past 18 months rise higher than they've been in years," Morrison said. "That's a testament to your core value of excellence in performance. You should all be proud."

For video clips go to Energy Northwest's YouTube page at: www.youtube.com/energynorthwest2011.

Nuclear Fuel Purchase Benefits Northwest Ratepayers

By Energy Northwest Public Affairs

Northwest ratepayers are the beneficiaries of a nuclear fuel purchase agreement that will generate \$80 million in rate case savings from 2014 to 2017, and potentially tens of millions of dollars in savings through 2028.

Contracts were signed last month between Energy Northwest, Tennessee Valley Authority, the U.S. Enrichment Corporation (USEC), and the Department of Energy that begin the process of turning depleted uranium into low-cost nuclear fuel.

The depleted uranium, also called uranium tails, will be delivered to Energy Northwest for use in Columbia Generating Station following enrichment. The program is similar to a pilot project in 2005 that reduced fuel costs more than \$100 million.

The Department of Energy first approached the Bonneville Power Administration and Energy Northwest to gauge interest in uranium tailings.

"I'm extremely pleased that, through a lot of hard work by the Energy Northwest team, we were able to take this DOE proposal and turn it into a high-benefit opportunity for our region," said Mark Reddemann, Energy Northwest CEO. "We can now move forward with a fuel transfer that will save ratepayers millions of dollars through 2028."

"This provides reasonable, stable, low-cost fuel for the long term – that's really what we want," said Eric Rockett,

who consulted for Energy Northwest on the fuel purchase.

The expected net-present value of the transaction is estimated to be in excess of \$100 million (assuming a conservative 12 percent discount rate) primarily as a result of the reduced cost of fuel purchases for Columbia.

The transaction results in near-term decreases in Energy Northwest/BPA costs of roughly \$20 million each year from 2014 to 2017, helping keep electricity rates lower than they otherwise would be. Future ratepayers will also benefit from access to low-cost fuel.

"It's one thing when you can do something that has an effect today," said Rockett. "But when you can do something that lasts 15 or so years, how much better?"

Currently, Energy Northwest has enough fuel in inventory or under contract to meet its fuel reloading requirements through 2019. Under the multi-party agreement, USEC will provide Energy Northwest with 482 metric tons of uranium enriched at USEC's Paducah Gaseous Diffusion Plant in Kentucky.

With the additional fuel, Columbia's fuel costs will be reduced and predictable through 2028. Energy Northwest will sell a portion of the enriched uranium to TVA beginning in 2015 to meet needs for its nuclear plants and defray some of Energy Northwest's cost.

Generation Corner: Jack Baker Retires from Energy Northwest

By John Dobken, Energy Northwest

After a 30-year career at Energy Northwest, in leadership roles from plant general manager to vice president, Jack Baker is retiring from his post as vice president of Energy/Business Services. His last day in the office is June 29.

Baker came to Energy Northwest in 1982 after a 12-year stint with Commonwealth Edison in Illinois, at Quad Cities Nuclear Power Station, Braidwood Nuclear Power Station and Zion Nuclear Power Station in a variety of positions including: staff assistant to the plant manager, technical manager and lead nuclear engineer. Hoping to escape the heat and humidity of those Midwestern summers and snowy winters, Baker focused on the Tri-Cities and the Northwest as the best place to raise a family and be closer to relatives. He never looked back – or thought twice about the decision. And the position at Energy Northwest offered what he was looking for in a career.

“I always felt I wanted to be the kind of employee who would take on additional things that I enjoyed doing. And I wanted to be a boss that believes everyone has to do their fundamental job, but if you want to take on something extra that you enjoy, to allow people to do it. We all have those opportunities at Energy Northwest.”

Baker came to Energy Northwest to work on WNP-1. When that project didn't materialize, he moved into operations for Columbia, first as assistant plant manager, and later as plant general manager. He also served as training director before being asked to head Energy/Business Services by former CEO Vic Parrish.

“It gets back to wanting to try new things – and [Parrish] called my bluff. We kind of invented the group. Started off small and grew it. There are have been some successes and some disappointments.”

Under Baker, E/BS developed Nine Canyon Wind Project and

the White Bluffs Solar Station project, put \$10 million in its reserve account, and became sustainable.

Looking to the future, Baker says E/BS has tremendous potential, and while the need for new generation projects is slight now, in the years ahead it will grow and E/BS will be there to answer the call.

“We have a bright future. It's not going to be handed to us – we have to earn it. I will miss that excitement – but not so much I want to give up my grandkids.”

“During his 30 years with us, Jack has helped Energy Northwest grow in membership and power generation,” said Mark Reddemann, CEO. “He's been an invaluable teammate, and I'll personally miss having him at the table.”

No successor has been named for Baker yet, though a number of candidates have been interviewed.

Asked what he would most miss about his time at Energy Northwest, Baker responded with the personal and professional relationships he developed over the past 30 years.

“Thank you for all the years of support, for all you have done and how you did it. We had many great results and some failures. What I will always remember and reflect on are those who I had the privilege to work with.”

Come July 1, Baker will be full-time in the granddad business (he has 12 grandchildren) and plans to travel with his wife, Bea.



Jack Baker
VP, Energy/Business Services



Energy Northwest was the top corporate team in the March of Dimes 2012 Tri-Cities March for Babies. Employees and their families raised more than \$25,000 for March of Dimes this year. Close to 1,000 members of the community participated in the walk – with about 70 of them from Energy Northwest. Additionally, Energy Northwest's Mike Kennedy and family are the 2012 ambassador family for the Tri-Cities March of Dimes. (Sandy Summers Russell photo)

Conserving Energy in the Summer

Summer's heating up – use these tips to stay cool and conserve energy.

1. Set air conditioning thermostat at 78 degrees or higher. Lower temperature settings significantly increase costs. An air conditioner at 70 instead of 78 degrees can almost double your energy bill!

2. When weather is mild, use fans instead of the air conditioner. A central air conditioner will use about 100 times more energy than a fan at medium speed.

3. Run ceiling fans and the air conditioner at the same time. But set the air conditioner a few degrees higher, to 80 or 81 degrees. The breeze from the fan will make it feel like 78 degrees – and cut costs by 15 to 25 percent.

4. Keep up the habit of turning off lights when leaving a room – especially during the summer. Lights add a lot of heat to a room.

Look in the next Keeping Current for more summer energy saving tips!

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Energy Northwest is a joint operating agency comprising 28 member utilities:

- | | | | |
|------------------------|----------------------------|-------------------------|----------------------------|
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| 2 Benton County PUD | 9 Cowlitz County PUD | 16 Klickitat County PUD | 23 Seattle City Light |
| 3 Centralia City Light | 10 Ferry County PUD | 17 Lewis County PUD | 24 Skamania County PUD |
| 4 Chelan County PUD | 11 Franklin County PUD | 18 Mason County PUD 1 | 25 Snohomish County PUD |
| 5 City of Port Angeles | 12 Grant County PUD | 19 Mason County PUD 3 | 26 Tacoma Public Utilities |
| 6 City of Richland | 13 Grays Harbor County PUD | 20 Okanogan County PUD | 27 Wahkiakum County PUD |
| 7 Clallam County PUD | 14 Jefferson County PUD | 21 Pacific County PUD | 28 Whatcom County PUD |

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