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IMMEDIATE RELEASE

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## **Kvaerner E&C Selected Engineering and Construction Contractor For Magnolia Power Project**

A contract for construction of the 250-megawatt Magnolia Power Project (MPP) in Burbank was awarded today by the Southern California Public Power Authority (SCPPA) to Kvaerner E&C for engineering, equipment procurement and construction services.

Ron Davis, chair of the MPP coordinating committee and Burbank Water and Power (BWP) general manager, said Kvaerner E&C's \$112 million contract was unanimously approved by committee members representing the cities of Anaheim, Burbank, Cerritos, Colton, Glendale, Pasadena and San Marcos. These cities are funding MPP's development work and have the option of receiving MPP electricity when the project is completed by mid-2005.

"Today's action approves the largest of several contracts for construction services and owner-provided electrical generation equipment to be awarded over the next few months in order to meet an MPP in-service date for energy delivery during the 2005 peak summer electrical use period," Davis said.

Kvaerner's work will begin with \$300,000 in preliminary engineering tasks and continue with full engineering and construction work once the California Energy Commission completes MPP's state licensing process and the project receives financing in early 2003.

Once licensing and financing are obtained, Kvaerner E&C will begin two years of construction work on the natural gas-fueled, combined-cycle generating unit to be located at BWP's existing electric generating station in Burbank. Kvaerner's work will be performed onsite and from the company's San Ramon, Calif. office. Kvaerner is a world-class oil and gas services, engineering and construction, and shipbuilding group. MPP participants selected Kvaerner after an extensive review of engineering and construction bids submitted by several power plant contractors.

"Kvaerner's highly respected power plant experience and construction expertise were key factors in our contractor selection process," Davis said. "As part of our work with Kvaerner, we will immediately begin coordinating a work schedule designed to minimize any potential community impacts during construction."

Although MPP will be financed and owned by SCPPA, it will be operated by BWP for participating cities and serve as a reliable and cost-effective electricity resource for municipal utility customers, he said.

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