

THE PWR OWNERS GROUP CHARTER

March 2023



RECORD OF CHANGES

CHANGE NO.	DATE	ENTERED BY
<i>ORIGINAL</i>	<i>April 15, 2003</i>	
Revision 01	March 9, 2004	P. Hijeck
Revision 02	March 7, 2005	P. Hijeck
Revision 03	June 28, 2006	S. DiTommaso
Revision 04	January 1, 2007	S. DiTommaso
Revision 05	March 12, 2007	S. DiTommaso
Revision 06	March 10, 2008	T. Laubham
Revision 07	March 9, 2009	T. Laubham
Revision 08	March 8, 2010	T. Laubham
Revision 09	March 7, 2011	T. Laubham
Revision 10	March 12, 2012	T. Laubham
Revision 11 (Interim)	September 1, 2012	T. Laubham
Revision 12	March 11, 2013	T. Laubham
Revision 13	March 10, 2014	T. Laubham
Revision 14	November 1, 2015	T. Laubham
Revision 15	October 3, 2018	T. Laubham
Revision 16	September 1, 2019	T. Laubham
Revision 17	February 1, 2021	T. Laubham
Revision 18	March 13, 2023	T. Laubham

Table of Contents

<i>I.</i>	<i>Preface</i>	<i>1</i>
<i>II.</i>	<i>Mission and Executive Policy</i>	<i>1</i>
<i>III.</i>	<i>Status</i>	<i>2</i>
<i>IV.</i>	<i>Membership</i>	<i>2</i>
	A. Utility Membership Fee	3
	B. Membership Cancellation Policy	3
	C. Members	4
	D. Product Sharing	5
<i>V.</i>	<i>Organization</i>	<i>6</i>
	A. Executive Committee (EC)	6
	B. Management Committee (MC)	7
	C. Steering Committee (SC)	8
	D. Technical Committees (TC)	9
	E. Working Groups	10
	F. Task Forces, Core Teams or Other Groups	11
	G. Emergent Issues Group (EIG)	11
	H. Program Management Office	11
<i>VI.</i>	<i>Voting, Shares & Fees</i>	<i>12</i>
	A. Voting	12
	B. Shares	14
<i>VII.</i>	<i>Program Types</i>	<i>16</i>
	A. Generic Project Authorization	16
	B. Cafeteria Project Authorizations	16
	C. Exemptions and Non-Funding Participation	16
	D. Joining On-Going or Closed Programs	16
<i>VIII.</i>	<i>Administrative</i>	<i>18</i>
	A. Definitions	18
	B. Operations Manual	18
	C. Contracts	18
	D. Westinghouse/FRAMATOME Co-Funding	19
	E. Member Expenses	19

THE PRESSURIZED WATER REACTOR OWNERS GROUP CHARTER

I. Preface

Since their inception in 1979, the Owners Groups have performed a valuable service to their member utilities and have continually supported an overarching mission to provide safe, reliable electricity. That overarching mission remains as valid today as it was when the Owners Groups were instituted.

As a result of several industry changes, the Pressurized Water Reactor (PWR) Owners Group has grown in size to include Westinghouse, CE, and B&W NSSS designs and has operating practices to meet the changing needs of the domestic and international members as described below.

The PWR Owners Group offers common funded or Generic programs to provide products beneficial to all members and offers cafeteria funded programs which are for the most part discretionary and have compelling benefits to a subset of the membership. As a global organization, the PWR Owners Group provides a unique opportunity to share operating experience and to develop common solutions to operating issues confronting PWR members. The PWR Owners Group also strives to maintain an effective regulatory interface and works cooperatively with the regulator(s) to track reviews of topical reports to support their timely approval.

II. Mission and Executive Policy

A. MISSION

The mission of the PWR Owners Group is to improve the competitiveness of member plants through cost-effective resolution of issues common to more than one member, and to provide a superior regulatory interface in support of member activities. This mission will be accomplished by maintaining a focus on the following objectives.

- Support safe and reliable plant operations
- Provide an effective regulatory interface
- Effectively leverage the resources of its members, including Westinghouse and Framatome.
- Provide a forum for joint discussions and resolution of issues common to more than one member
- Provide a mechanism for allocating costs and resources relative to resolution of owners group issues, whether performed by Westinghouse, Framatome, or others
- Provide an effective interface with NEI, EPRI, INPO and other industry groups and owners groups on industry issues
- Share best practices and lessons learned among Members

PWR OWNERS GROUP CHARTER

B. EXECUTIVE POLICY

It is the responsibility of the Steering Committee and Executive Chairman to ensure that there is fairness and objectivity in assigning work to Westinghouse or Framatome, who are members of the PWROG and are also the NSSS suppliers for the US PWRs. Through the implementing process of the Operations Manual, the Technical Committees shall ensure that a rigorous and thorough technical evaluation is performed and documented before awarding work to suppliers for those projects in which a significant competitive advantage in the market may arise and for which multiple suppliers are qualified to perform such work. Technical evaluations shall consider previous experience, technical expertise, requirement for design specific knowledge, cost, alternate approaches considered, etc.

Westinghouse or Framatome shall be provided an opportunity to appeal the intent to award decision to the Steering Committee and Executive Chairman, provided that it is done within 30 days of Technical Committee approval/endorsement (Generic/Cafeteria) of the Project Authorization and in writing from the vendor executive representative. The Steering Committee and Executive Chairman will review the decision in a reasonable period of time (normally within 30 days) and inform the parties of their decision in writing. No further appeals will be permitted.

III. Status

The PWR Owners Group is not a legal entity. Hence, it assumes no financial, licensing or legal responsibility for its member companies, including Westinghouse Electric Co. LLC and Framatome Commercial arrangements shall normally be managed by contracts between member companies and Westinghouse, and by contracts/arrangements between Westinghouse and other third parties (e.g. NRC). Nothing contained in this Charter shall be construed to constitute a legal agreement on the part of any member.

IV. Membership

Membership in the PWR Owners Group shall be open to all domestic and international organizations who are licensed to, or who are constructing/ designing generating plants utilizing a Framatome (FR), Babcock & Wilcox (B&W), Combustion Engineering (CE), Mitsubishi (MHI), Westinghouse (W), Westinghouse Licensed pressurized water reactor (PWR) nuclear steam supply system (NSSS), and other OEM licensees, and Westinghouse Electric Co. and Framatome. The provisions of this Charter (*and PWROG Operations Manual*) apply for any new members that join the PWR Owners Group. Voting membership is limited to US and International members operating Framatome, B&W, CE, MHI or Westinghouse NSSSs. Westinghouse and Framatome shall be non-voting members. If a new member or "New-plant" member* wishes to utilize past generic or cafeteria products then the requirements of Section VII.D and Section VII.G of this Charter apply.

* A "New-plant" member is defined as a utility designing or constructing a plant. The plant is no longer considered a new member following the commencement of initial fuel load.

PWR OWNERS GROUP CHARTER

A. Utility Membership Fee

The per-share, per-year, membership fee “ceiling” for any Utility (domestic and international) to participate in the PWROG is as follows:

- 2024: \$302,000
- 2025: \$314,000
- 2026: \$320,000

Thereafter, approval for an annual inflationary increase will be evaluated and voted on by the Executive Committee.

B. Membership Cancellation Policy

If Utility is shutting down and thus needs to cancel their PWR Owners Group membership, they can do so at any time; however they are still responsible for the membership fee in the given calendar year and any other financial commitments on participating cafeteria project authorizations.

If a utility chooses to no longer be a member of the PWR Owners Group without a plant shutdown, then they shall provide notification by June 30th of the given year; otherwise, they will be responsible for their membership fee for the following year. Regardless of when a withdrawal from the PWROG occurs, the utility in question will be responsible for their financial commitments on participating cafeteria project authorizations.

Communication of intended plant shutdown and/or withdrawal from the PWROG shall be done in writing to the PWROG Leadership.

PWR OWNERS GROUP CHARTER

C. Members

Table IV-1
Domestic Membership and Votes

Utility Member	Plants	Votes
Ameren Missouri	Callaway	1
American Electric Power	D.C. Cook 1&2	1
Arizona Public Service	Palo Verde Unit 1, 2, 3	1
Dominion Energy	Millstone 2&3, North Anna 1&2, Surry 1&2, VC Summer	1
Duke Energy (Carolinas & Progress)	Catawba 1&2, McGuire 1&2, Oconee 1, 2, 3, Robinson 2, Shearon Harris	1
Entergy	Arkansas 2, Waterford 3, Arkansas 1,	1
Eergy	Wolf Creek	1
Exelon Generation Co. LLC	Braidwood 1&2, Calvert Cliffs 1&2, Ginna	1
Energy Harbor	Beaver Valley 1&2, Davis-Besse	1
FPL/Next Era	St. Lucie 1 & 2, Turkey Point 3&4, Seabrook, Pt. Beach 1&2	1
Luminant Power	Comanche Peak 1&2	1
Pacific Gas & Electric	Diablo Canyon 1&2	1
PSEG – Nuclear	Salem 1&2	1
STP Nuclear Operating Co.	South Texas 1&2	1
Southern Nuclear Operating Co.	Farley 1&2, Vogtle 1,2, 3 & 4	1
Tennessee Valley Authority	Sequoyah 1&2, Watts Bar 1&2	1
Xcel Energy	Prairie Island 1&2	1
TOTAL VOTES		17

PWR OWNERS GROUP CHARTER

Table IV-2
International Membership and Votes

Utility Member	Plants	Votes
AXPO	Beznau	1
CEZ*	Temelin	1
EdF	Sizewell B	1
Electrabel (Belgian Utilities)	Doel 1, 2 & 4, Tihange 1 & 3	1
Electronuclear ETN	Angra 1	1
Emirates Nuclear Energy Corporation	Barakah 1 & 2	1
Eskom	Koeberg	1
Hokkaido Electric Power Co, Inc.	Tomari 1, 2 & 3	1
Japan Atomic Power Company	Tsuruga 2	1
Kansai Electric Co., LTD	Mihama 3, Ohi 3 & 4, Takahama 1, 2, 3 & 4	1
Korea Hydro & Nuclear Power Corp.	Kori 1, 2, 3 & 4, HANBIT 1, 2, 3, 4, 5 & 6, HANUL 3, 4, 5, & 6, and SHIN KORI 1&2	1
Kyushu Electric Power Co., Inc.	Genkai 3,4 & Sendai 1,2	1
Nuklearna Elektrarna KRSKO	Krsko	1
Ringhals AB	Ringhals 3 & 4	1
Shikoku	Ikata 3	1
CNAT	Almaraz 1&2	1
ANAV	Asco 1&2, Vandellos 2,	1
Taiwan Power Co.	Maanshan 1&2	1
Electricite de France	56 Units	1
TOTAL VOTES		16

* Members of the I&C Working Group only

D. Product Sharing

1. PWROG Utility members that also own a BWR plant site can utilize generic PWROG products upon notification to the PWROG Chairman.
2. PWROG Utility members that also own a BWR plant site can utilize applicable cafeteria PWROG products by joining into the program in question using the same share structure as applied to PWROG member sites.

V. Organization

A. Executive Committee (EC)

The EC is the governing body of the PWROG whereas it shall establish the overall Charter rules for which the PWROG will operate under.

1. Structure and Terms

- a) The EC consists of one executive or designee from each participating company; Domestic and International.
- b) The EC should meet at least once a year.
- c) The Executive Committee shall strive to have at least one member be a Utility CNO.
- d) The Executive Committee shall have a Chairman and a Vice-Chairman who are elected for a two-year term by the Executive Committee members.
- e) Any voting will follow the criteria set forth in Section VI, "Voting, Shares, & Fees."

2. EC Responsibilities:

- a) Approve the PWR Owners Group Charter (including Interim changes).
- b) Approve domestic and international Member additions.
- c) Each EC representative will designate a Management Committee representative for his or her Utility.
- d) Provide input to the Technical Committee and Management Committee Representative for voting on Generic or Cafeteria Project Authorizations (PAs). *Note that a list of PAs will be sent to the EC at least 4 weeks prior to the Technical Committee vote.*
- e) Provide input on proposed and or active Project Authorizations
- f) Provide input to the Steering Committee for PWROG strategy and operations.
- g) Approve supplemental generic funding over and above the annual membership fee identified under Section IV.A.
- h) Provide executive interface with other industry groups, such as the NRC, NEI, EPRI and INPO.
- i) Provide endorsement of the PWROG Chairman and Vice Chairman candidates prior to the Management Committee vote.
- j) Provide endorsement for any extension of the PWROG Chairman beyond the first two years of service.
- k) All programs from any PWROG Committee, reporting Task Force, or Working Group which produce deliverables relating to materials issues, when applicable, will have recommendations in line with the NEI 03-08 initiative. The PWROG Executive Committee will approve "Mandatory" and "Needed" recommendations related to industry materials initiatives when recommendations provide a consensus position beneficial to the PWR Owners Group members. Reference PWROG Procedure for Addressing NEI 03-08 Compliance and Industry Interface (Documented on the PWROG Materials Web site: <https://pwrog.westinghousenuclear.com/NEI 03-08>)

PWR OWNERS GROUP CHARTER

B. Management Committee (MC)

The MC is typically made up of management level utility members that provide the management oversight for the PWROG activities and manage their Utility-specific PWROG budget. The MC provides the management level perspective on their utility needs and priorities.

1. Structure and Terms

- a) The Management Committee shall consist of one representative from each participating company; domestic and international.
- b) The Management Committee shall include a senior manager of Westinghouse and Framatome.
- c) The Management Committee should meet three times each year.
- d) Any voting will follow the criteria set forth in Section VI, "Voting, Shares, & Fees."

2. Management Committee Responsibilities:

- a) Approve Cafeteria PAs and revisions.
- b) Approve Generic PAs that are forwarded to them at the discretion of the TC Chairman
- c) Approve Generic PAs over \$1M (Collective over all revisions) and all Steering Committee PAs
- d) Provide input to the Technical Committee for voting on Generic or PAs and ensure that their EC Representative has reviewed the list of PAs up for consideration. *Note that a list of PAs will be sent to the MC and EC at least 4 weeks prior to the Technical Committee vote.*
- e) Approve the PWROG Operations Manual.
- f) Approve the cancellation of a cafeteria PA.
- g) Approve exemptions or non-funding participation on generic or cafeteria Project Authorizations, as well as any late fee waiver on members joining late for a cafeteria PA.
- h) Provide comments on Charter revisions under consideration by the Executive Committee.
- i) Provide nominations for Steering Committee Leaders.
- j) Elect the PWROG Chairman and Vice Chairman.
- k) Establish or dissolve Technical Committees and Working Groups.
- l) If necessary, approve the replacement of a TC or WG Chairman
- m) Approve a TC or WG Chairman to seek a term extension beyond 4 years.
- n) Approve more than 2 Utility members from the same Utility on the SC
- o) Provide input on proposed and or active Project Authorizations
- p) Monitor performance of the Technical Committees and Working Groups.
- q) Each Management Committee member is responsible for designating and informing the Program Management Office of his or her company's representative(s) to each Technical Committee, Working Group and other group(s) as may be established.

PWR OWNERS GROUP CHARTER

C. Steering Committee (SC)

The Steering Committee is the operational arm of the PWROG and executes the day-to-day operational activities. The SC provides the leadership and direction for all PWROG programs and activities.

1. Structure and Terms

- a) The Steering Committee shall consist of the Chairman and EIG Chairman (*typically the PWR Owners Group Vice Chairman*) and the Chairmen of each standing Technical Committee.
- b) The Executive Director of the Westinghouse & Framatome Program Management Office or their designees will participate as non-voting members of the Steering Committee.
- c) The Steering Committee should have no more than two members from the same utility. Exceptions approved by the MC
- d) Steering Committee should meet at least three times per year.
- e) The PWROG Chairman is a full-time voluntary position as agreed upon by their Utility. The PWROG will provide financial reimbursement as defined and documented in a specific project authorization.
- f) The PWROG Vice Chairman is a part time voluntary position as agreed upon by their Utility. The PWROG Vice Chairman is expected to lead the Emergent Issues Group and eventually take over as the PWROG Chairman (assuming they are elected by the MC). The PWROG will provide financial reimbursement as defined and documented in a specific project authorization
- g) The Technical Committee and Working Group Chairmen are part time voluntary positions as agreed upon by their Utility. The PWROG will provide financial reimbursement as defined and documented in a specific project authorization.
- h) A quorum shall consist of a simple majority of the voting members and must include the Chairman or Vice Chairman.
- i) Any voting will follow the criteria set forth in Section VI, "*Voting, Shares, & Fees.*"

2. Steering Committee Responsibilities:

- a) The day-to-day operation of the PWR Owners Group. Establish and maintain the PWROG Charter and Operations Manual.
- b) Manage the generic budget.
- c) Authorize generic PAs after Technical Committee, Working Group, or Management Committee approval.
- d) Serve on the PWROG Emergent Issues Group (EIG).
- e) Provide oversight of active PWROG programs by conducting periodic project reviews.
- f) Provide endorsement of new Technical Committee and Working Group Chairmen.
- g) Review Technical Committee strategic roadmaps (annually).
- h) Resolve officer election voting ties (*after two attempts*) at the Management Committee level.
- i) Conduct a self-assessment of the Owners Group every three years or earlier if deemed necessary.

D. Technical Committees (TC)

The TCs are classified by six separate subject areas: Analysis, Licensing, Materials, Procedures, Risk Management and Systems/Equipment/Engineering. Each technical committee is comprised of the utility technical subject matter expert that provides the technical insight and input for all PWROG programs. Their main purpose is to ensure that their Utility needs are known and that each program is technically sound.

1. Structure and Terms

- a) Each TC shall consist of at least one representative from each participating company; domestic and international. Those Utilities with multiple NSSS plants should have a representative for each NSSS.
- b) Each TC shall have a Chairman. Vice Chairmen are optional and at the discretion of the Chairman for the given Committee.
- c) Each TC should meet three times each year.
- d) Any voting will follow the criteria set forth in Section VI, *"Voting, Shares, & Fees."*

2. Technical Committee Responsibilities:

- a) Establish technical work to be performed and recommend to the SC and MC appropriate direction and funding.
- b) Review PAs prior to Committee meetings.
- c) Provide an approval vote on generic PAs and endorsement vote for cafeteria PAs.
- d) TC Chairman can forward Generic PAs to the MC at his discretion to permit additional time for Utilities to formulate a voting a position (see guidance in the Operations Manual).
- e) Endorse exemptions or non-funding participation on generic and cafeteria Project Authorizations.
- f) Obtain input from their EC and/or MC Representatives for voting on Generic and cafeteria PAs. Note that a list of PAs will be sent to the EC and MC at least 4 weeks prior to the TC vote. Each TC Representative vote on generic or cafeteria PAs should be a collective Utility vote as reviewed by the EC and MC.
- g) Identify the need for an exemption or non-funding participation.
- h) Endorse the closure of a PA.
- i) Monitor the technical performance of approved work and approve schedule or scope changes.
- j) Provide input to their committee specific portion of the Needs-Based Budget and assist in prioritizing the PAs.
- k) Share best practices and lessons learned.
- l) Keep their MC representative informed of TC activities, including development of future cafeteria PAs.
- m) Monitor working group performance.
- n) Develop and maintain a Mission Statement and strategic roadmap.
- o) Technical Committee Chairman will have the oversight on the operational structure of their Committee and Core Teams.
- p) Elect a Chairman contingent upon Steering Committee endorsement.

E. Working Groups

Technical Working Groups are established in response to specific programs or technical areas (i.e. Instrumentation & Controls) for which in depth technical expertise is required over and above that found at the Technical Committee level. Like the Technical Committee, Working Groups are classified into specific subject matters. Each working group is comprised of the utility technical subject matter expert that provides the technical insight and input for all PWROG programs for that Working Group. Their main purpose is to ensure that their Utility needs are known and that each program is technically sound.

1. Structure and Terms

- a) The Working Group shall consist of at least one representative from each participating company; domestic and international. Those Utilities with multiple NSSS plants should have a representative for each NSSS.
- b) Each Working Group shall have a Chairman. Vice Chairmen are optional and at the discretion of the Chairman for the given Working Group.
- c) Typically, the Working Groups meet two times per year.
- d) Each Working Group shall report to a Technical Committee or the Steering Committee.
- e) Any voting will follow the criteria set forth in Section VI, "*Voting, Shares, & Fees.*"

2. Working Group Responsibilities:

- a) Establish technical work to be performed and recommend to their Technical Committee or Steering Committee and Management Committee appropriate direction and funding.
- b) Review PAs prior to Working Group meetings.
- c) Provide an endorsement vote for PAs.
- d) Identify the need for an exemption or non-funding participation.
- e) Endorse the closure of a PA.
- f) Monitor the technical performance of approved work and approve schedule or scope changes.
- g) Provide input to their Working Group specific portion of the Needs-Based Budget and assist in prioritizing the PAs.
- h) Share best practices and lessons learned.
- i) Keep their Technical Committee and Management Committee representative informed of Working Group activities, including development of future cafeteria PAs.
- j) Develop and maintain a Mission Statement and Strategic Roadmaps.
- k) Working Group Chairman will have the oversight on the operational structure of their Working Group.
- l) Review and access documents on the website related to his/her Working Group and Utility
- m) Elect a Chairman contingent upon Steering Committee endorsement.

PWR OWNERS GROUP CHARTER

F. Task Forces, Core Teams or Other Groups

From time to time, it may be determined that an issue requires formation of a focused Task Force, Core Team or other ad-hoc group outside structure of the Technical Committees and Working Groups. These specialized groups are intended to address limited scope, short duration issues that require the focused efforts of specific individuals. The process for assigning representatives to these groups and selecting officers shall be the same as for the Technical Committees or Working Groups. Responsibilities for these groups shall be established by a specific Mission Statement.

G. Emergent Issues Group (EIG)

The EIG's function is to participate with vendors in an interactive communications process that will enhance the definition, communication, and resolution of potential Part 21 issues and emerging industry issues by drawing on collective knowledge of both PWR Owners Group members and vendors.

1. Structure and Terms

- a) The PWROG Operations Manual will provide the details of the scope of work and specific responsibilities.

H. Program Management Office

The Program Management Office (PMO) will lead all administrative, financial and project related activities within the PWROG.

1. Structure and Terms

- a) The PMO will have an Executive Director, Program Directors for all Committees/Working Groups, a Financial Controller, a Technical Assistant, a webmaster, a meeting planner and administrative support.
- b) The applicable PA for the PMO will provide details of the scope of work and responsibilities.

VI. Voting, Shares & Fees

A fundamental tenet of the PWR Owners Group is that voting rights and funding provisions are fair and equitable for all members regardless of the size of their fleet. The voting and funding structure has been developed to provide the greatest cost benefit, allow the most flexibility and ensure fairness for all its members. A conscious effort has been made in structuring funding and voting provisions to preclude a group of similarly designed plants from establishing a controlling "block" of votes. One of the measures taken to ensure fairness has been the establishment of a conservative policy for the determination of Generic activities. The PWROG shall support two types of funding; 1) Generic projects and 2) Cafeteria projects as defined under Section VII.

A. Voting

1. Executive Committee (EC)
 - a) For all EC voting, each domestic and international member, as defined by Table IV-1 and IV-2, shall have one vote. If a Utility has announced a plant shutdown, and notified the PWROG that they are only permitted to vote on generic type issues if they have other plants still planning to stay operating and would only have votes for those plants.
 - b) Voting of the Charter or any other binding commitments (*e.g. NEI 03-08 protocol*) requires 75% of eligible votes cast by representatives present and voting or their proxies.
 - c) Voting for officer elections shall be by simple majority of eligible vote cast by representatives present and voting or their proxies.
 - d) If necessary, EC voting may be held electronically. All applicable domestic members must be counted in determining vote results, regardless of a vote being cast. International electronic votes are only counted in determining vote results if the vote was cast.
 - e) The EC has the responsibility and is expected to provide input on voting for all PAs under consideration at the TC and MC levels prior to the vote. Once the PA is approved at the TC or MC level, it is considered authorized pending SC review.
2. Steering Committee (SC)
 - a) Voting on all issues within the SC shall require 75% of eligible votes cast by representatives present and voting or their proxies.
 - b) If necessary, SC voting may be held electronically. All SC members must be counted in determining vote results, regardless of a vote being cast.
3. Management Committee (MC)
 - a) For Generic Project Authorizations, Operations Manual, program exemptions, non-funding participation, and program cancellation approvals, each domestic voting member shall have one vote per site. Each international member shall have 1 vote per Utility.
 - (1) Approval requires 72% of eligible votes cast by representatives present and voting or their proxies. Note that the PWROG Chairman can revise this percentage, as necessary, if additional mergers and/or plant closures occur to maintain a minimum of three utilities to fail a generic program. The PWROG will gain endorsement from the Executive Chairman and Steering Committee prior to revising the voting percentage.
 - (2) Generic Project Authorizations that fail to reach the 72% approval may be re-voted as a cafeteria project, if desired.

PWR OWNERS GROUP CHARTER

- (3) If a Utility has announced a plant shutdown, then they are permitted to request an exemption for the given plant(s) on generic PAs or issues.
 - b) For cafeteria funded Project Authorizations, each domestic voting member shall have one vote per site and may include qualifications with their vote (*e.g. Yes with a total of [x] funding shares*). Each applicable international member shall have one vote per Table IV-2 and may also vote with qualifications.
 - (1) Approval shall require a minimum of two members agreeable to their qualifiers.
 - c) For all other voting issues, before the Management Committee, including officer elections, each domestic voting member and each international voting member shall have one vote per tables IV-1 and IV-2.
 - (1) Approval requires a simple majority of votes cast by representatives, or their proxies, present and voting.
 - d) The MC has the responsibility and is expected to provide input on voting for all generic PAs under consideration at the TC level prior to the vote. Once the PA is approved at the TC level, it is considered authorized pending SC review.
 - e) If necessary, MC voting may be held electronically. All applicable domestic members must be counted in determining vote results, regardless of a vote being cast. International electronic votes are only counted in determining vote results if received.
 - (1) The PWROG Chairman, Applicable Committee/Working-Group Chairman and PMO Executive Director must approve all electronic votes to the MC.
4. Committee, Working Group and other groups
 - a) For all Generic PA related voting, each domestic voting member shall have one vote per site. Each international member shall have 1 vote per Utility.
 - (1) Approval requires 72% of eligible votes cast by representatives present and voting or their proxies. Note that the PWROG Chairman can revise this percentage, as necessary if additional mergers and/or plant closures occur to maintain a minimum of three utilities to fail a generic program. The PWROG will gain endorsement from the Executive Chairman and Steering Committee prior to revising the voting percentage.
 - (2) Due to its fleet size, EdF will have a proportional number of votes compared to the largest Domestic Utility.
 - (3) If a Utility has announced a plant shutdown, then they are permitted to request an exemption for the given plant(s) on generic PAs or issues.
 - b) A vote by the TC on a Cafeteria PA is for “endorsement” and only requires two or more Utilities endorsements to qualify for forwarding to the MC for their approval vote.
 - c) For all other voting issues, including officer elections, each domestic voting member and each international voting member shall have one vote per tables IV-1 and IV-2.
 - (4) Approval requires a simple majority of votes cast by representatives, or their proxies, present and voting.
 - d) If necessary, voting may be held electronically. All applicable domestic members must be counted in determining vote results, regardless of a vote being cast. International electronic votes are only counted in determining vote results if received.
 - e) The applicable Committee/Working-Group Chairman and PMO Program Director must approve all electronic votes to their committee or group in question.
5. Exemptions and Non-Funding Participation

PWR OWNERS GROUP CHARTER

- a) Members requesting an exemption or non-funding participation are permitted to vote on the exemption or non-funding vote.
- b) Exempted members are not permitted to participate in the program vote.
- c) Non-funding members are permitted to participate in the program vote.

B. Shares

1. Domestic Utility Member Shares

- a) Each domestic member with an operating plant shall have one share per plant site, plus $\frac{1}{4}$ share for each additional unit beyond one, on each site.
- b) Pending written notification to join the PWROG, each domestic member restarting or completing construction on a plant, shares will be as follows:
 - (1) From construction restart to initial fuel load - $\frac{1}{4}$ share for each "new" unit.
 - (2) One month following initial fuel load, then the "new" unit(s) in question will be considered "operating" and the standard share structure from Section VI.B.1.b applies.
 - (3) A domestic "construction restart" member under any tier will entitle them to any new or active generic programs. This will also allow the purchase of any new or completed cafeteria programs, as if they were a full member, based on the standard share structure defined in Section VI.B.1.b above.
- c) Pending written notification to join the PWROG, each domestic member constructing a new plant, the shares will be as follows:
 - (1) Prior to COL approval - $\frac{1}{8}$ share for each "new" unit.
 - (2) From COL approval to Initial Fuel Load - $\frac{1}{4}$ share for each "new" unit.
 - (3) One month following initial fuel load the "new" unit(s) in question will be considered "operating" and the standard share structure from Section VI.B.1.b applies.
 - (4) A domestic "New Plant" member under any tier will entitle them to any new or active Generic programs. This will also allow the purchase of any new or completed Cafeteria programs, as if they were a full member, based on the standard share structure defined in Section VI.B.1.b above.
- d) Each domestic Non-OEM Licensee Member will be charged $\frac{1}{4}$ share.

2. International Members

- a) Each international member with an existing operating plant shall use the following formula to calculate their membership shares:
 - (1) For single unit members, the fee shall be $\frac{1}{2}$ of the single share value.
 - (2) For multi-unit members, the fee shall be $\frac{3}{4}$ of the single share value (per NSSS Design).
 - (3) Due to the size of its fleet, fees for Electricité de France shall be negotiated separately and approved by the Executive Committee.
- b) For participation in a cafeteria PA, each international member will use the formula in VI.1.B.1.b (for domestic member shares) to calculate their participation shares. Share totals will be capped at 4 shares for international members.

PWR OWNERS GROUP CHARTER

3. Pending written notification to join the PWROG, international “New Plant” members share value will be determine based on whether the plant in question is owned by an existing PWROG member or “New” Utility member.
 - c) For existing members, add $\frac{1}{4}$ share per plant site.
 - d) For new international utility members, the share is calculated the same as existing international members.

C. Fees

Activities in the PWR Owners Group shall normally be funded by member shares. Any exceptions to this arrangement, such as when the cost of an activity is directly related to a variable such as “number of RCPs”, etc., shall be clearly described in the PA.

1. General Membership Fee

- a) The total annual membership fee from each domestic and international member is calculated using the share formulas in Section VI.B and multiplying by the share price documented in Section IV.
- b) Due to its fleet size Electricité de France shall be negotiated separately and approved by the Executive Committee.
- c) Generic PAs will be funded using the General Membership Fee from each Domestic and International Utility.
- d) International members, by simple majority vote (by region, i.e., Europe, Japan, Korea, etc), can request up to 10% of their general membership fees to be used on specific generic projects as defined in the PA itself (*e.g. scope additions, PAs not approved domestically, etc.*). This would be pending approval of the Steering Committee. The SC would authorize the use of the international funds. The domestic membership would be entitled to all products from internationally funded PAs. See Operations Manual for additional details.

2. Cafeteria Fee

- a) The total fee for participation in a cafeteria PA for by a domestic or international member will be calculated by multiplying the share price on the cafeteria PA itself, times the total number of Utility shares (as determined using the share formulas in Section VI.B).
- b) From those cafeteria projects that are applicable to an entire NSSS design (*Cafeteria-W, Cafeteria-CE, or Cafeteria-B&W*), then the International members with plants from that specific NSSS design would NOT be required to pay for their participation, as long as it was approved with 72 percent or more domestic participation (*i.e. 72% of W-shares, CE-shares or B&W shares*). International members would need to join all other cafeteria PAs (*That are not applicable to one or more entire NSSS's*).

VII. Program Types

A. Generic Project Authorization

1. A generic program is considered applicable to the entire domestic utility membership. A generic program shall be funded by all members from the total collection of all the Utility Membership Fees. The Steering Committee will continually prioritize the programs. If necessary, the Steering Committee can ask for supplemental funding.
2. Generic funded programs will have no more than 3 participating shares granted exemptions and/or non-funding participation per project (*or as defined by the Steering Committee*), otherwise the project shall be reclassified as a cafeteria program. *Note that the following will NOT be counted towards the total: 1) "New plants" (i.e., AP1000, APR1400 or other), 2) Plants that have officially communicated a shutdown and request exemptions, 3) Plants that have withdrawn from the PWROG.*

B. Cafeteria Project Authorizations

1. Cafeteria program is applicable to a subset of the entire domestic and international membership.
2. Funding amount per utility is based on the number of participating shares in the program.
3. Once approved, a participant in a cafeteria program is committed to their share of the authorized funding approved for that program or phase of that program.
4. Cafeteria Program Withdrawal:
 - a) A member may withdraw from a cafeteria program at any time it is deemed prudent to do so; however, the withdrawing member is still responsible for their share of the funding under the current PA revision.
 - b) A withdrawing member is entitled to all completed program deliverables up to the date of withdrawal but forfeits rights to all future deliverables.

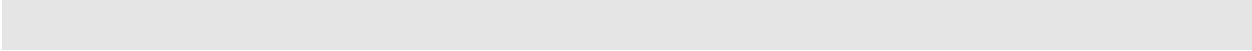
C. Exemptions and Non-Funding Participation

1. A member may be exempted from paying or participating in a generic program if approved by the Management Committee. Exemptions on cafeteria programs are not required given the Utility in question can simply not vote to participate. Guidance for exemptions will be documented in the Operations Manual.
2. A member may request to be a non-funding participant in any generic or cafeteria program. This means the member in question would be a program participant and receive all program deliverable but not have to provide funding.
3. Approval of a request for non-funding participation shall be at the discretion of the funding participants.

D. Joining On-Going or Closed Programs

1. A member who has not previously participated in a cafeteria program may subsequently participate in that program under the following conditions:
 - a) Members must join all applicable revisions. The late fee applies to all revisions.

PWR OWNERS GROUP CHARTER

- b) Any Member will have up to 6 months following the conclusion of the Management Committee vote to join a cafeteria program without incurring any late fees.
 - c) After 6 months from the conclusion of the Management Committee vote until the issuance of the final product, the late fee is 1.1 times the share value plus a \$2,500 administrative fee.
 - d) A member that has previously not participated in a PA due to an announced plant shutdown or withdrawal (from the PWROG), may join back with no late fee if their plans have been reversed. Funding from their buy-in would be reallocated to the participating members. The Administrative Fee, as noted below, would still apply.
 - e) After the final product is issued, the late fee is 1.5 times the share value plus a \$2,500 administrative fee.
- 

VIII. Administrative

A. Definitions

1. Quorum - A quorum at the Executive Committee, Management Committee and Technical Committee/Working Group levels is defined as a simple majority of voting members. A quorum at the EMG and Steering Committee levels is defined as equal to or greater than 75%. It is required at all meetings in which Owners Group business is to be conducted.
2. Proxies - A voting member may designate any other voting member, Westinghouse, or Framatome to vote on their behalf at any meeting. Members who have provided proxy power to another shall inform the Westinghouse PMO prior to their vote being cast. Participation by proxy shall not count towards establishment of a quorum as defined above, but shall count in determining the number of members voting.
3. Project Authorization (PA) – Under normal circumstances, a PA will serve as the vehicle to propose work scope for the PWR Owners Group. A process for handling PA's is contained in the PWR Owners Group operations manual.

B. Operations Manual

1. An Operations Manual will be maintained by the Steering Committee that will contain the detail processes to support this Charter. In addition, the Operations Manual will contain specific details on the following:
 - a) All PWROG Owners Group Processes
 - b) Key Performance Indicators

C. Contracts

1. Contractual matters and program funding shall be controlled by each member in accordance with individual contracts and general services agreements between each member and Westinghouse. For programs involving Framatome, there are separate Terms and Conditions in the value contract between Westinghouse and Framatome.
2. Blanket purchase orders from each member must be issued to Westinghouse for PWR Owners Group work by January 1 of each year. The value of the blanket shall be, at a minimum, that member's pro-rated portion of that year's annual budget (*common funded plus cafeteria portion*).
3. Neither the Management Committee nor any other Owners Group committee shall make any legal or commercial commitments for individual members.
4. Management Committee members are expected to obtain funding for those items that they supported (*i.e. vote to approve funding*) and share in all costs defined in this Charter.
5. In the event that a member is unable to fulfill a financial obligation to the Owners Group, the remaining members shall develop a mutually agreeable solution.
6. Westinghouse or Framatome may only provide Owners Group documents to non-Owners Group utility or licensees with the approval of the Steering Committee. This approval shall not be unreasonably withheld.
7. Unless compelled by proper legal authority, Westinghouse or Framatome shall not provide Owners Group documents to regulatory agencies without approval of the Owners Group.

PWR OWNERS GROUP CHARTER

D. Westinghouse/ Framatome Co-Funding

1. As stated in Section IV, the membership fee for Westinghouse/ Framatome shall be in the form of reduced labor rates for labor performed by Westinghouse/ Framatome on PWR Owners Group programs.
2. Markups for materials & services, travel expenses, and other non-Westinghouse/ Framatome consultants shall be defined in the Program Management Project Authorization.
3. Westinghouse/ Framatome shall have ownership of all Generic and Cafeteria products once the programs are completed. This ownership authority applies to all products wherein Westinghouse and/or Framatome participated in the development of the product.
 - a) In the cases where both Westinghouse and Framatome both are part of the product development, then ownership must be agreed upon by both parties in advance of program approval and documented in the project authorization.
 - b) Westinghouse/Framatome shall also have the authority to commercially sell the Generic products following completion and closure of the programs.
 - c) Westinghouse/Framatome shall have the authority to commercially sell the products of Cafeteria funded programs 10 years following issuance of the product in question.
 - d) Commercially selling of a PWROG product, regardless of whether it was from a generic or cafeteria PA is only permitted as long as the sell does not restrict the PWROG from conducting future work that would require using the product in question or restrict access to the product via the PWROG Website.

E. Member Expenses

1. All members shall be responsible for their own travel and lodging expenses associated with participation at Owners Group sponsored meetings, except as authorized in individual Project Authorizations.
2. Only those members providing a financial commitment for programs, as designated by the Executive Committee, Steering Committee or Management Committee, shall be billed for that program.
3. Reimbursement will be provided to Utilities that allow their employee to serve as the overall PWROG Chairman, Technical Committee Chairman or Working Group Chairman. The amounts will be defined in an individual project authorization.