



NUCLEAR FUEL SERVICES, INC.

a subsidiary of The Babcock & Wilcox Company

Update to Commission on NFS' Safety Culture Improvement Plan

May 14, 2009

Dave Kudsin, President

A new beginning...

- Successful Acquisition
- Smooth Transition
- Commitment to Safety
- Improving accountability through:
 - Increased Corporate Oversight
 - New Ethics Program
- Resources Accessibility

Bottom Line Up Front

- Plan on-track
 - Challenge: management of plan
 - Action: senior project manager assigned
- Performance Indicators positive
- Slower progress than plan in some areas
- 2011 goal achievable

Safety Culture Strategic Plan

- Long Range Vision—Industry “best in class” safety culture by 2011
- Integrates findings of self assessment and third party assessment
- Actions to address each finding assigned a date and responsible manager

Safety Culture Strategic Plan

- Mid Term: One Page Plan System
 - Objectives with metrics
 - Action Plans with milestones
- Annual plan development
 - Workshop to develop Strategic Plan
 - Flows down to management: 3 to 4 levels
- Monthly execution meetings
 - Review objectives (metrics) and action plans (milestones)

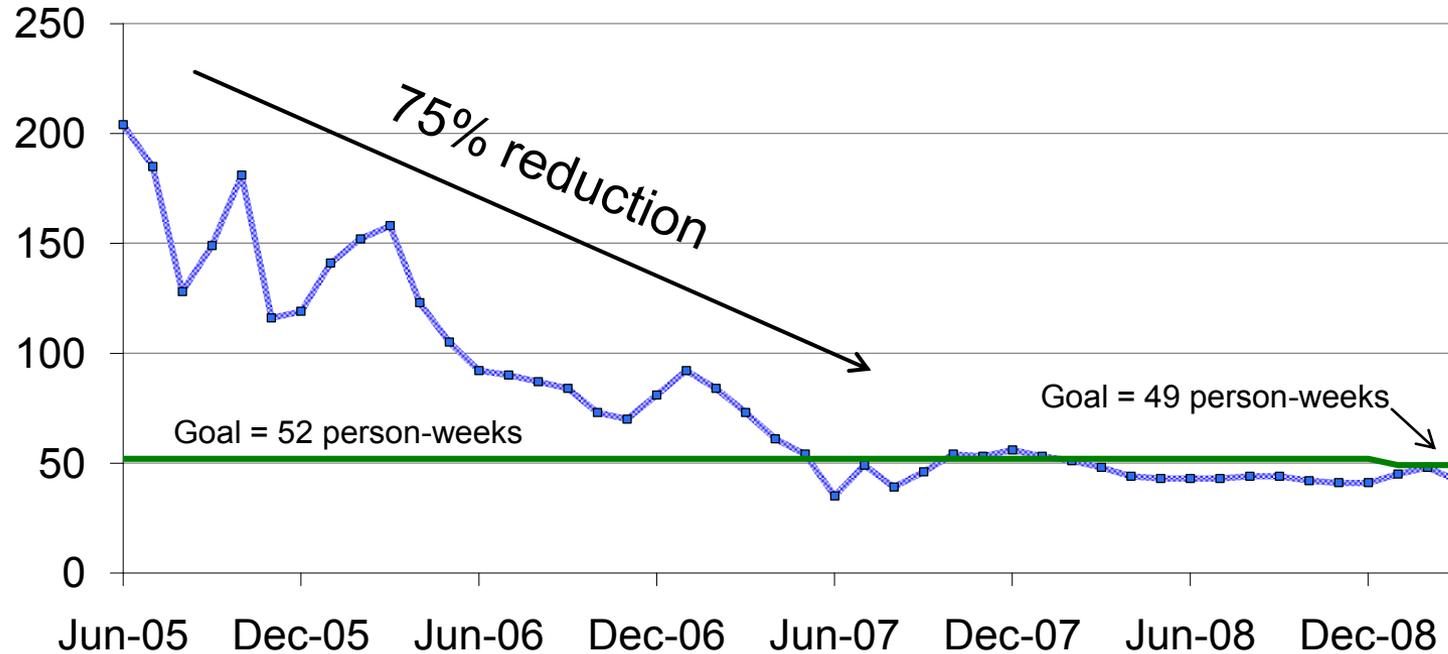
Project Management Summary

- **Plan on-track**
 - 93 commitments completed (46%)
 - >70% complete by December 31, 2009
 - No overdue actions
- **Actions effective**
 - Need to develop comprehensive cultural change set of metrics for use in change assessment

Human Performance (HuP)

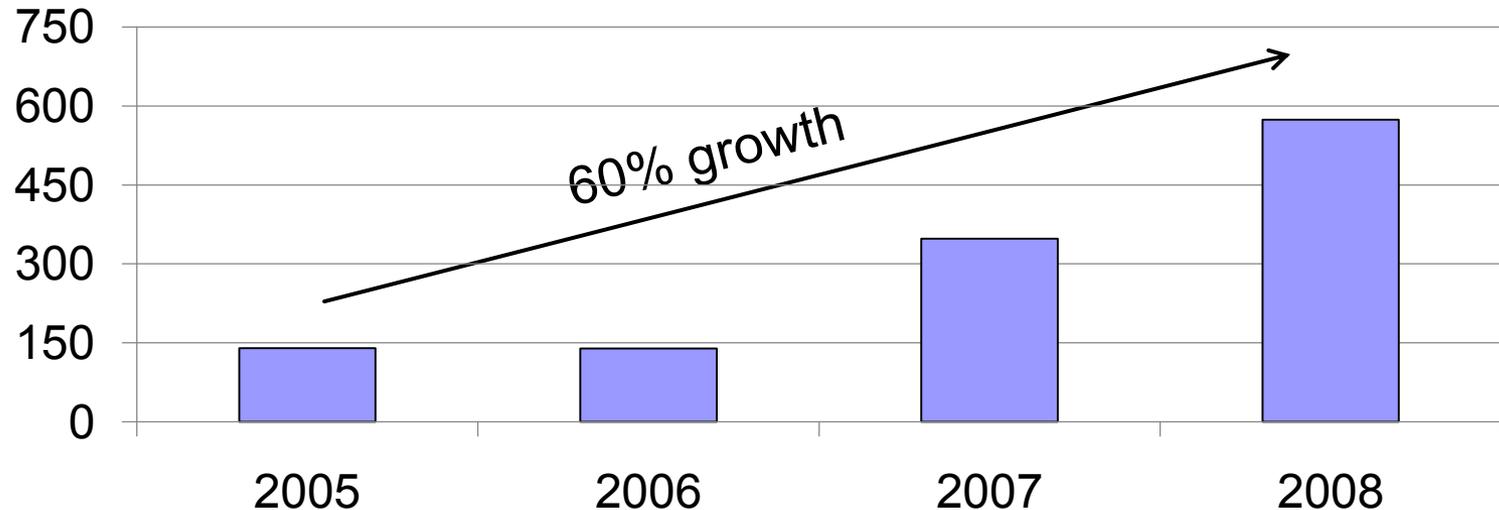
- Averaging 12 days between HuP site-wide event clock resets
- All operations personnel using HuP tools by year-end; security forces 2010
- Making conservative decisions
- Security overtime reduced 25%; staffing all-time high

Maintenance Backlog



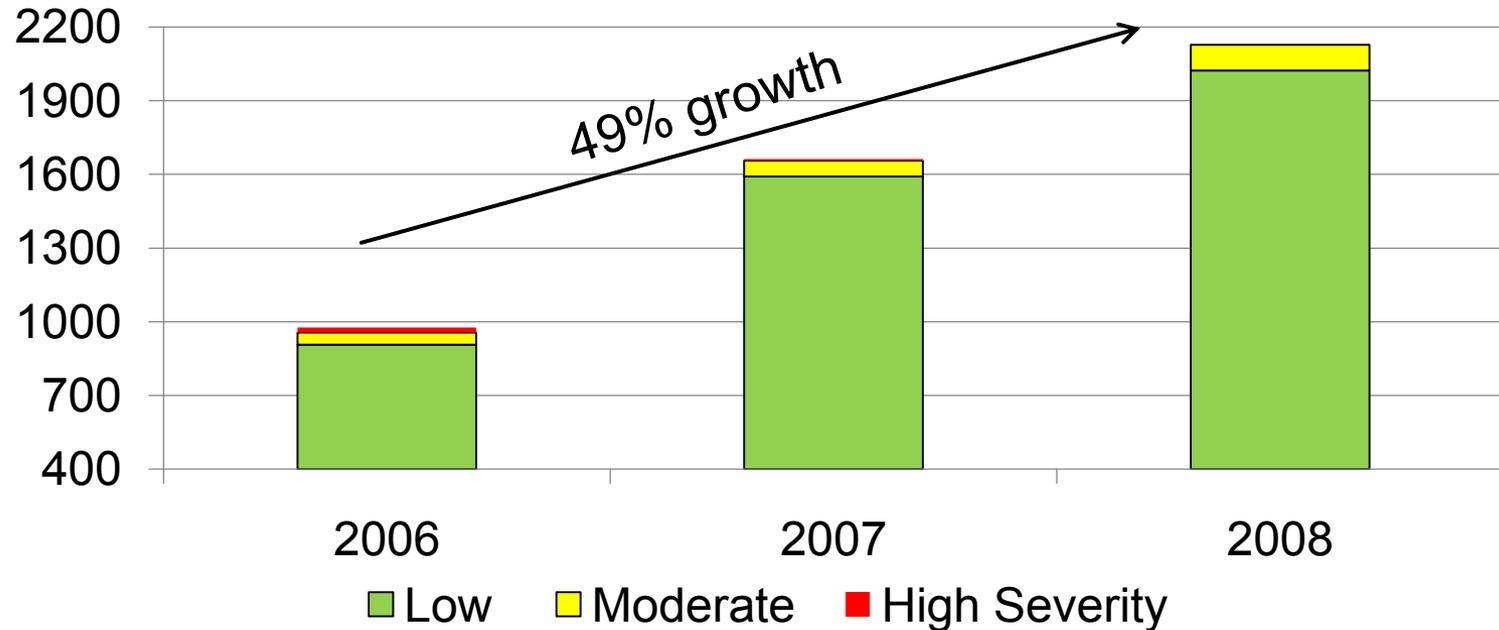
✓ Improving Long-term Plant Safety

Employee Safety Awareness



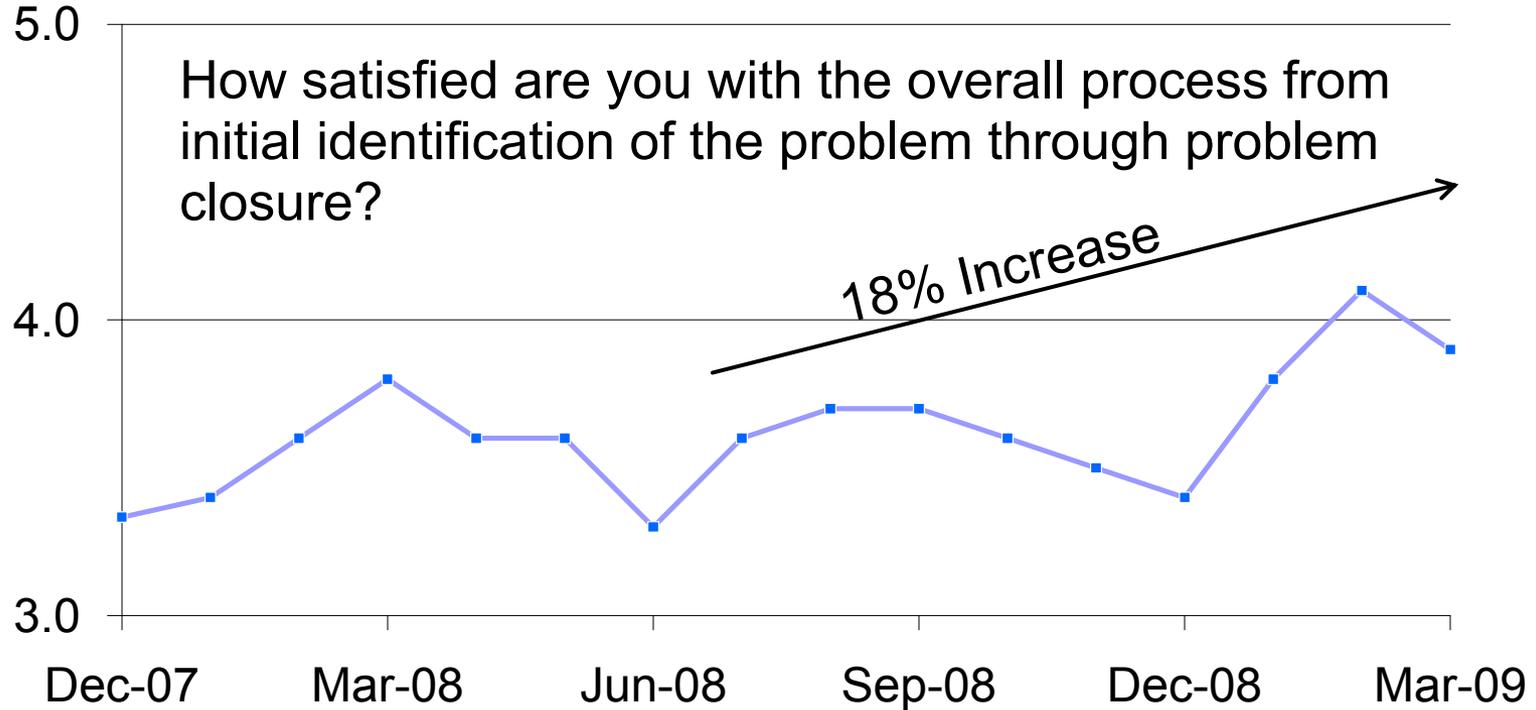
- ✓ Lowering the Reporting Threshold
- ✓ Increasing Ownership & Participation

Employee Reported Problems



✓ Better Risk Management

Corrective Action Program



✓ Improving Employee Satisfaction

Safety Conscious Work Environment

- Successfully launched Employee Concerns Program (April 2009)
- Enabled anonymous Corrective Action Program problem reporting (Oct 2008)