PSEG Nuclear

Plan for Assessing and Improving the Work Environment at Salem/Hope Creek

NRC Public Meeting Bridgeport Holiday Inn March 18, 2004 Nuclear LLC

Frank Cassidy

President & COO - PSEG Power



Agenda

Frank Cassidy

- Corporate Commitment
- Independent Assessment Team Charter

Roy Anderson

Plan for Change

Chris Bakken

Plan to Assess, Integrate, and Measure Progress

Jim O'Hanlon

Independent Team Status

Frank Cassidy

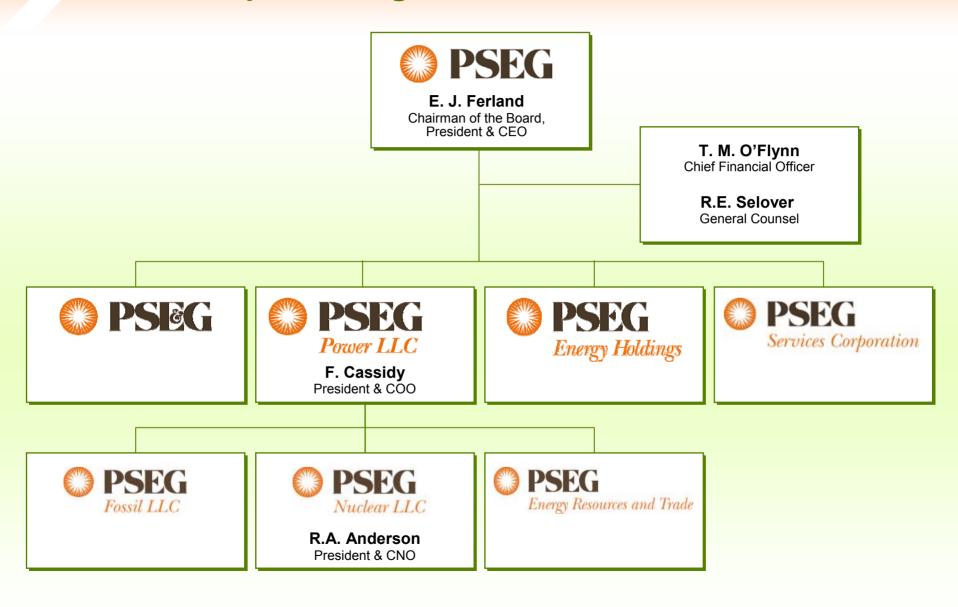
Conclusions

Corporate Commitment

Salem/Hope Creek Remains Critical to PSEG and the Public

- Operate Salem/Hope Creek Safely
- Ensure Salem/Hope Creek Receive Required Resources
- Assure a Strong Safety-Conscious Work Environment at Salem/Hope Creek

PSEG Corporate Organization



NRC's January 28, 2004 Letter

No Serious Safety Violations Identified, But:

- Concerned About Station Work Environment
- Concerned About Impact of Previously Unresolved Conflicts
- Need for PSEG to Assess the Station Work Environment
- Take Steps to Assure Workforce Participates

Chartered Independent Team

Scope

- Comprehensive
- Initial Focus
 - Operational Decision-Making
 - Previously Unresolved Conflicts
 - Problem Identification and Resolution

Objective to Assess

- Work Environment
- Sufficiency of Management's Initiatives to Assess
- Sufficiency of Management Efforts to Improve
- Impact of Corporate-site Interface

Team Composition

Will Assure Independent, Thorough Review

Schedule

 Management Briefing and Recommendations in April

Roy Anderson

President & CNO - PSEG Nuclear



Plan for Change

2003 Initiated Fundamental Change Designed to Assure Safe Reliable Operation

Accomplishments

- Capital Increase
- Capital Shift
- Succession Plan
- Metrics with Line of Sight
- Performance Management
- Unitization for Focus
- System Engineers



PSEG Nuclear Mission

Safe & Environmentally Sound

Required for

Reliable Performance

Resulting in

Economic Operation

Protecting the Health and Safety of the Public Is the Basis for the License



Plan for Change



Organization Leadership

Sr. Manager Responsibility

Chris Bakken Overall Operations & Support

Mike Brothers Safe Operation

Dave Garchow Design Basis

John Carlin Assessment

Wade Sperry Business



Plan for Change



Line of Sight



PSEG Power Mission

Design Organization

Staff Organization

Develop Metrics

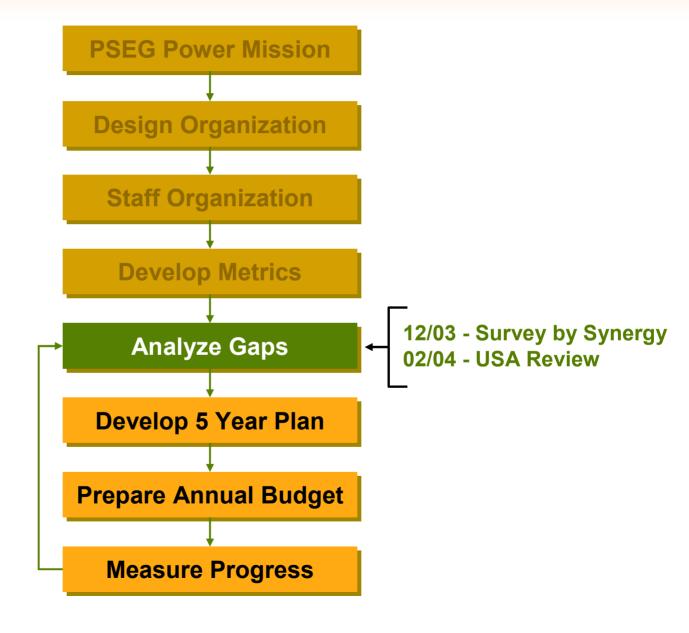
Analyze Gaps

Develop 5 Year Plan

Prepare Annual Budget

Measure Progress

Plan for Change



Increased Urgency for Action

Plant Equipment

Corrective Action Program

Work Management

Communication

Chris Bakken

Senior Vice President - Nuclear Operations



Ongoing Assessments

SYNERGY - PHASE 1 UTILITY SERVICE ALLIANCE ASSESSMENT MID CYCLE REVIEW INDEPENDENT ASSESSMENT TEAM **OCT 03 NOV 03 DEC 03 JAN 04 FEB 04 MAR 04 APR 04 MAY 04 JUN 04**

Integration of Results

Synergy - Phase 1

Utility Service Alliance Assessment

Mid Cycle Review

Independent Assessment Team

Business Plan



June 2004 – Integrate Assessment Data Into 5 Year Business Plan

Synergy Survey Results

Organization Is Being Challenged

- Equipment Problems
- Corrective Action Program
- Work Management
- Adherence to Expectations and Standards
- Confidence in Employee Concerns Program
- Certain Organizations Need Attention

USA Assessment Results

Organization Is Being Challenged

- Visibility and Emphasis of SCWE Message
- Reactivity Management at Hope Creek
- Corrective Action Program
- QA Line Management Interface
- Work Management Process
- Change Management

Near Term Actions

Salem 1 and Hope Creek Outage Scope

CAP Effectiveness

Work Management

Communications

Current Implementation Plans

Integrate Into Daily Operations Through Business Plan

Measure Results

- Metrics for Evaluating Work Environment
- Re-Survey Employee Population to Assess Work Environment

James O'Hanlon

Independent Assessment Team Lead



Independent Team Status

Good Cooperation From Management and Workforce

Over 100 Interviews Conducted

Complete Remaining Interviews/Assessment by Beginning of April

Provide Assessment and Recommendations to PSEG by Mid-April

Frank Cassidy

President & COO - PSEG Power



Conclusions

PSEG Is Committed To:

- Improve the Work Environment
- Improve Communication of Changes
- Monitor Our Progress
- Make Necessary Adjustments
- Operate the Plants Safely
- Provide the Required Resources