



PSEG Nuclear LLC

Annual Assessment Meeting

Bridgeport Holiday Inn

May 17, 2006



Introduction

Frank Cassidy

President and Chief Operating Officer

PSEG Power



Chief Nuclear Officer Overview

William Levis

Senior Vice President and CNO

PSEG Nuclear LLC

Chief Nuclear Officer Overview

Salem and Hope Creek are being operated safely

Plant performance has improved

- Operationally focused organization
- Clear roles and responsibilities
- Consistent direction
- Accountability

Work environment has improved

- Business Plan items have been completed
- Focus on key processes, communications and facilities



Salem Performance

Tom Joyce

Vice President, Salem Generating Station

PSEG Nuclear LLC

2005 Salem Successes

Effectively executed key station processes

- Corrective Action and Work Management Programs

Instilled operational focus to improve plant reliability

- Material condition
- Safety system health
- Online and outage performance

Improved the work environment

- Alignment
- Communication
- Training
- Facilities

Salem Areas of Focus

Human Performance

- Industrial Safety
- Execute the Fundamentals

Equipment Reliability

- Long-term Asset Management

Implementation of the Exelon Management Model



Hope Creek Performance

George Barnes

Vice President, Hope Creek Generating Station

PSEG Nuclear LLC

2005 Hope Creek Successes

Effectively executed key station processes

- Corrective Action and Work Management Programs

Instilled operational focus to improve plant reliability

- Material condition
- Safety system health
- Online and outage performance

Improved the work environment

- Alignment
- Communication
- Training
- Facilities

Hope Creek Areas of Focus

Human Performance

- Industrial Safety
- Execute the Fundamentals

Equipment Reliability

- Long-term Asset Management

Implementation of the Exelon Management Model



Work Environment Status

Dennis Winchester

Vice President, Nuclear Assessments

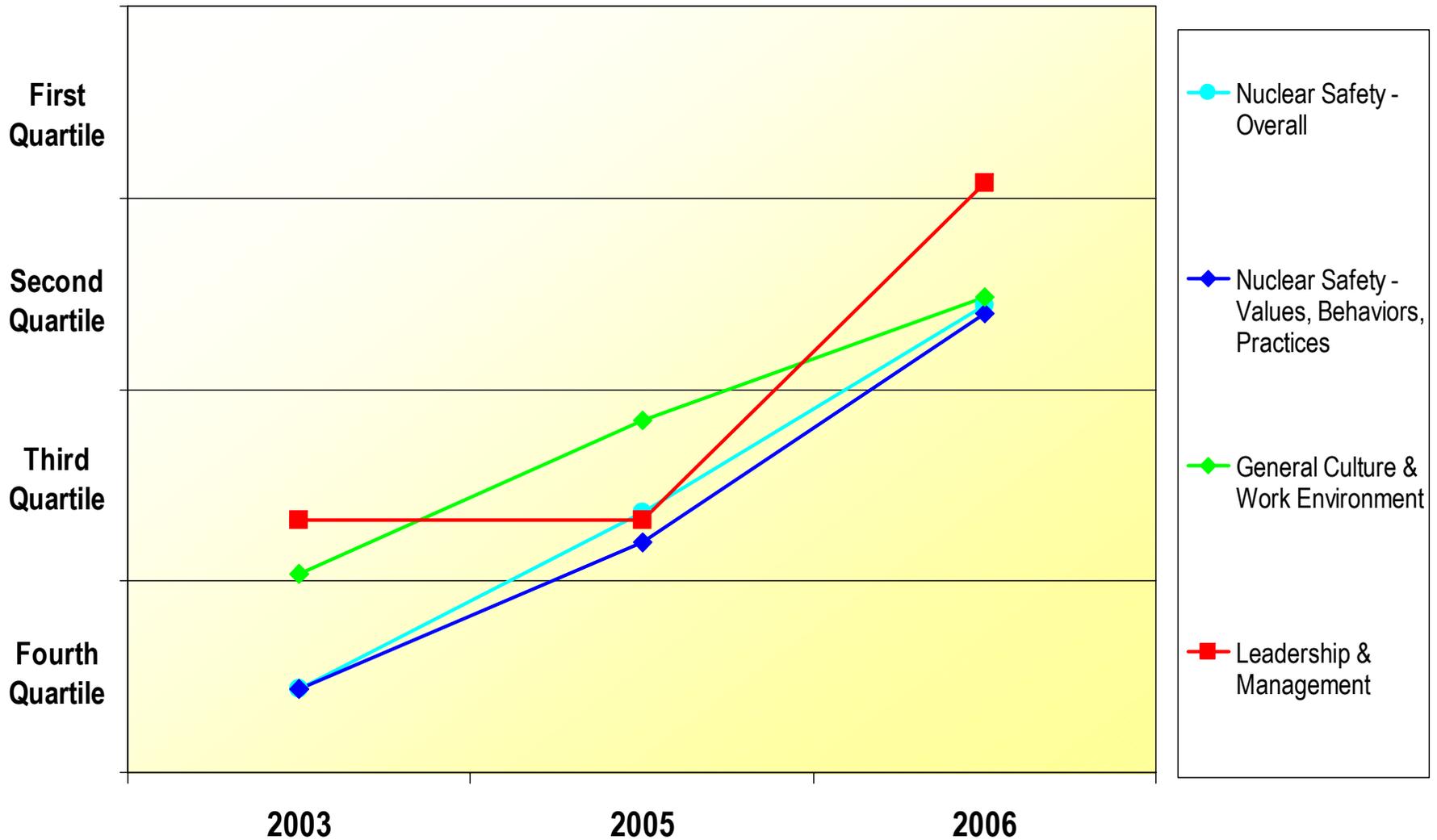
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Synergy Survey

Cultural Metrics have improved

- Performance is second quartile and rate of improvement remains strong
- Strong performance in key cultural metrics
- Areas for continued improvement were identified
- Solid foundation is in place for sustained improvement

Key Cultural Metrics



Peer Assessment

Independently assessed our work environment

- 87 interviews & 16 focus groups (173 personnel total)
- Observed station activities and meetings
- Reviewed programs, procedures, policies, metrics, past assessments and resulting actions

Results

- Personnel are willing to raise nuclear safety concerns
- There has been substantial improvement in our SCWE
- The current programs, processes, and procedures provide a solid foundation for sustained improvement
- Areas for continued improvement were identified



Closing Remarks

William Levis

Senior Vice President and CNO

PSEG Nuclear LLC

Closing Remarks

Improvement efforts have yielded the expected results

Our performance has improved substantially

We have a healthy work environment

Management controls are in place to sustain our continued improvement

Results through Focus, Accountability, and Engagement