

From: Glenn Meyer *LM*
To: Jarriel, Lisamarie; Miller, Hubert J.; Salem / HC Group; Wiggins, James
Date: 3/16/04 12:49PM
Subject: Meeting briefing - Today at 1:30 m

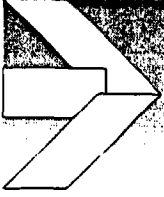
EY2

The briefing for the March 18 PSEG management meeting will occur Today at 1:30 pm in the Executive Conference Room. If outside Region 1, please call into the NRC conference call system and use passcode XXXXXXXXXX *EX.2*

Sorry for the "Just-in-Time" package delivery, but I was awaiting the PSEG slides (1st attachment). The plan for Salem (including the meeting) is the 2nd attachment and the possible questions are the 3rd attachment.

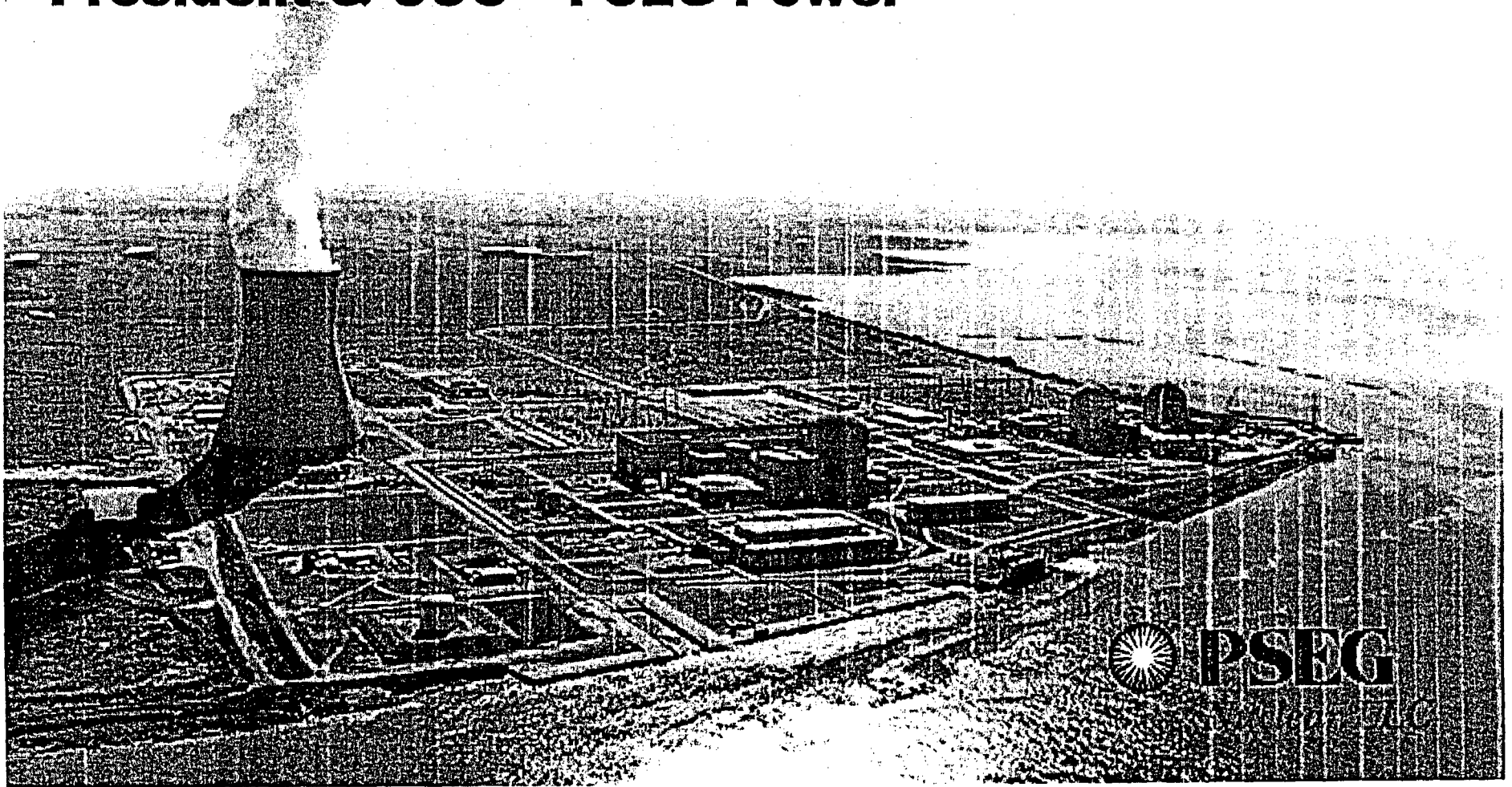
CC: Matakas, Gina

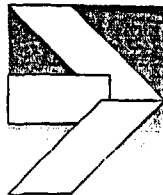
T-112



Frank Cassidy

President & COO - PSEG Power





Agenda

Frank Cassidy

- Corporate Commitment
- Independent Assessment Team Charter

Roy Anderson

- Plan for Change

Chris Bakken

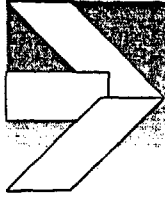
- Plan to Assess, Integrate, and Measure Progress

Jim O'Hanlon

- Independent Team Status

Frank Cassidy

- Conclusions



Corporate Commitment

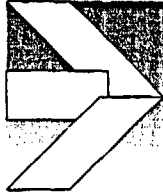
PSEG NUCLEAR LLC

Operate Salem/Hope Creek Safely

**Salem/Hope Creek Remains Critical to PSEG and
the Public**

**Salem/Hope Creek to Receive Required
Resources**

**Assure a Strong Safety-Conscious Work
Environment at Salem/Hope Creek**




PSEG Corporate Organization


PSEG NUCLEAR LLC


 **PSEG**
E. J. Ferland
Chairman of the Board,
President & CEO

T. M. O'Flynn
Chief Financial Officer


R.E. Selover
General Counsel


 **PSEG**
PSEG
Power LLC
F. Cassidy
President & COO

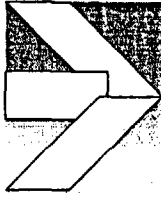
 **PSEG**
Energy Holdings

 **PSEG**
Services Corporation

 **PSEG**
Fossil LLC

 **PSEG**
Nuclear LLC
R.A. Anderson
President & CNO

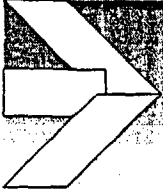
 **PSEG**
Energy Resources and Trade



NRC's January 28, 2004 Letter

No Serious Safety Violations Identified, But:

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



Chartered Independent Team

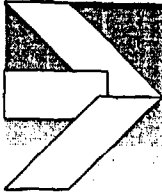
PSEG NUCLEAR LLC

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



Chartered Independent Team

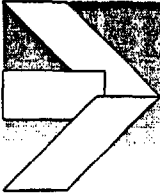
PSEG NUCLEAR LLC

Team Composition

- Will Assure Independent, Thorough Review

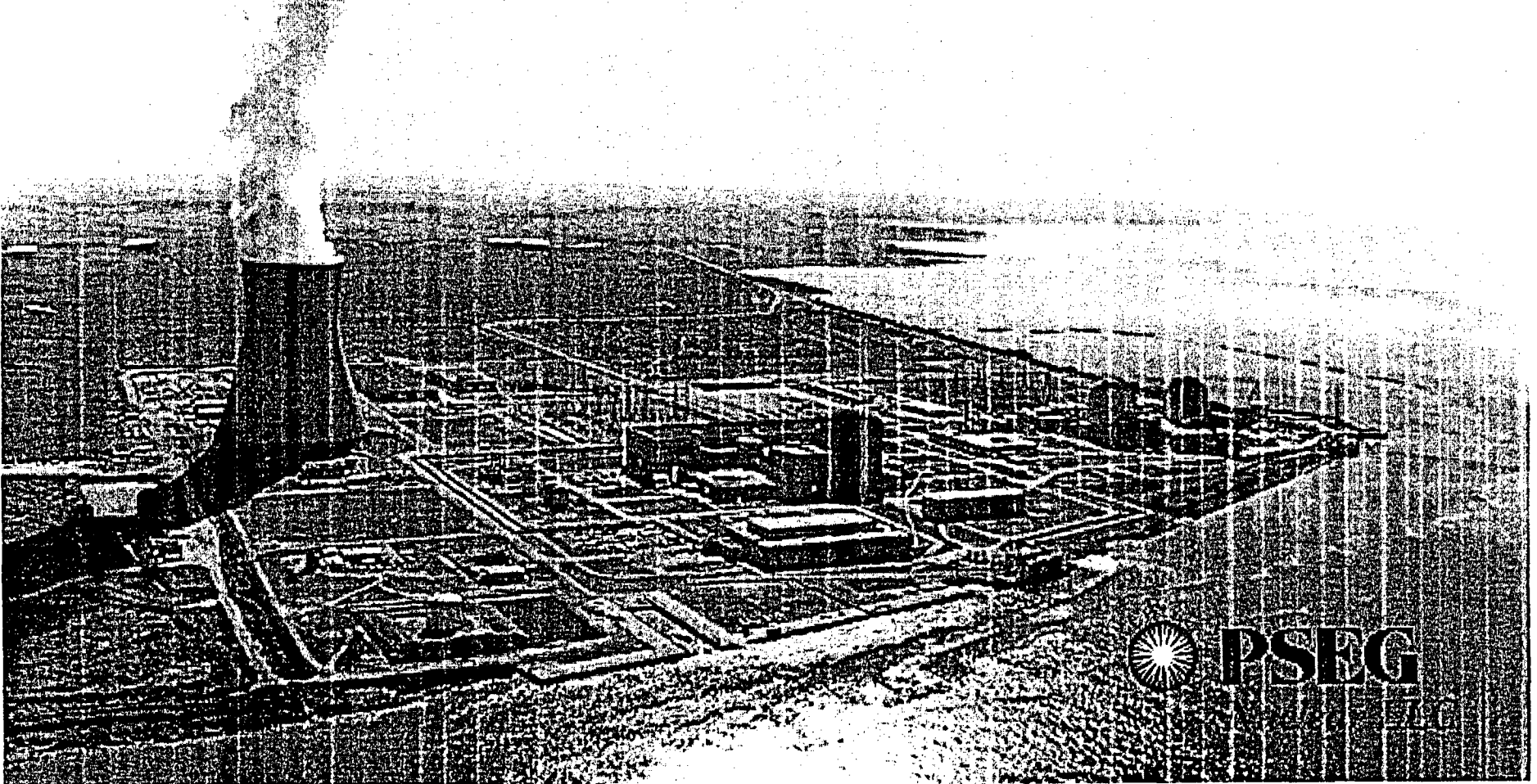
Schedule

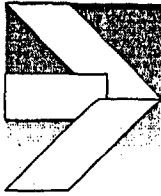
- Management Briefing and Recommendations in April



Roy Anderson

President & CNO – PSEG Nuclear

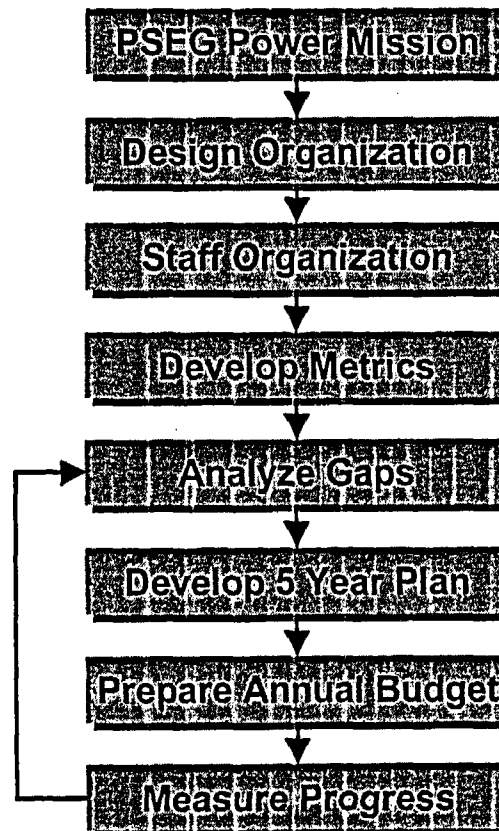


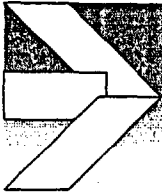


2003 Initiated Fundamental Change Designed to Assure Safe Reliable Operation

Accomplishments

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





Safe & Environmentally Sound

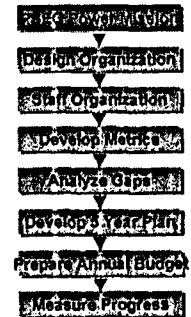
Required for

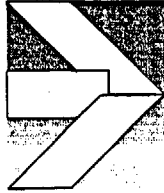
Reliable Performance

Resulting in

Economic Operation

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





Organization Leadership

Sr. Manager

Responsibility

Chris Bakken

Overall Operations & Support

Mike Brothers

Safe Operation

Dave Garchow

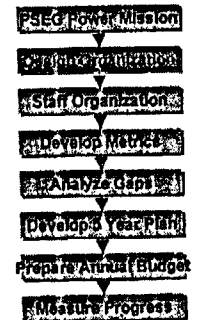
Design Basis

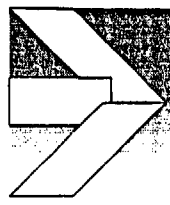
John Carlin

Assessment

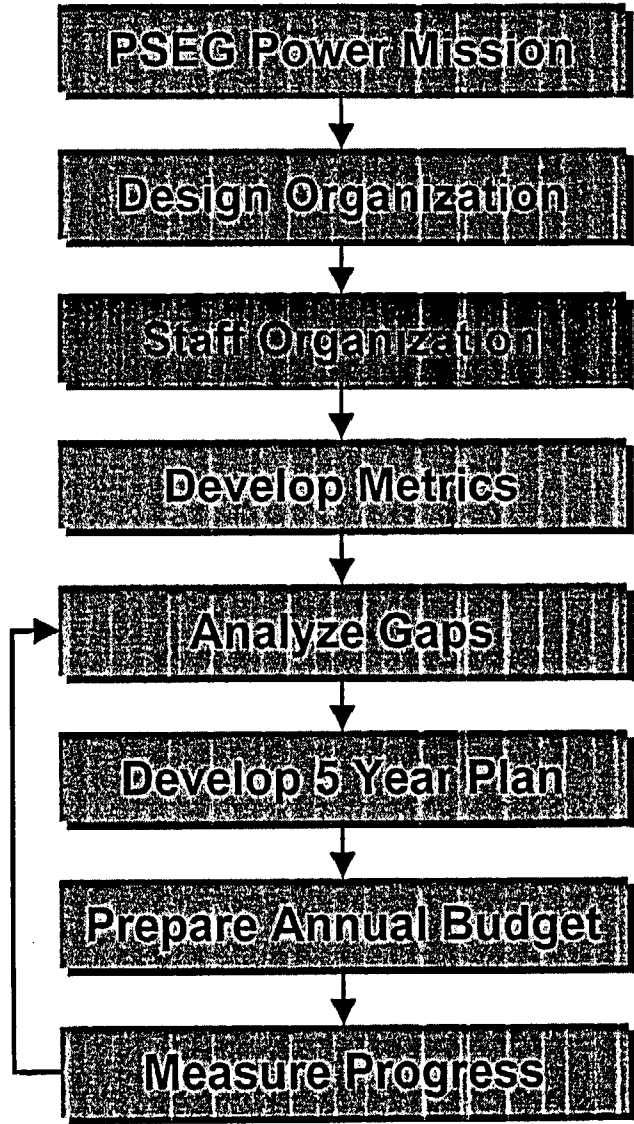
Wade Sperry

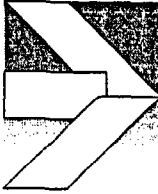
Business





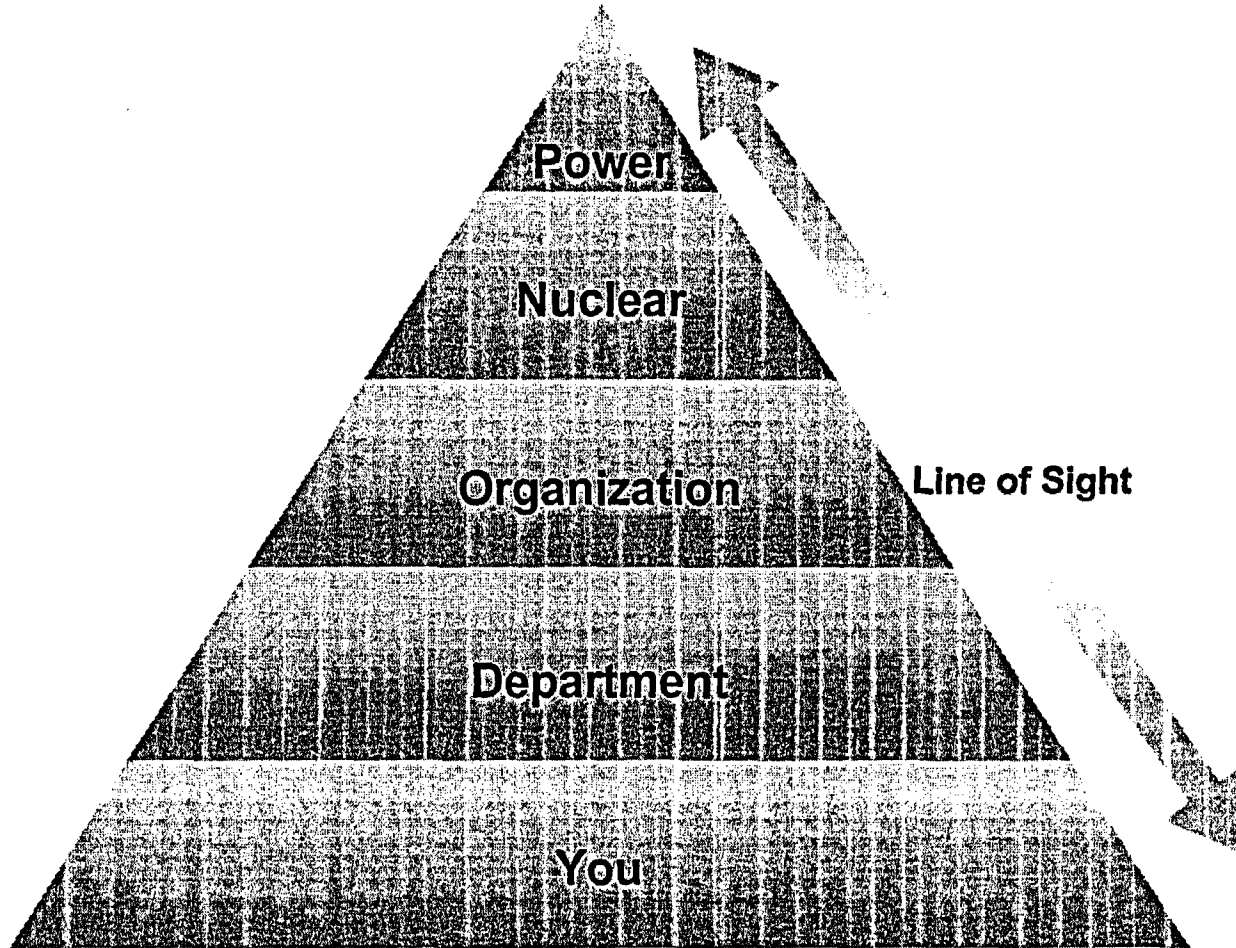
Plan for Change



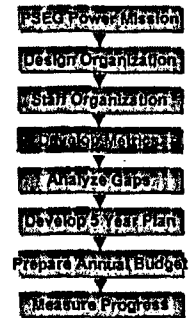


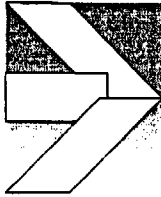
Line of Sight

PSEG NUCLEAR LLC

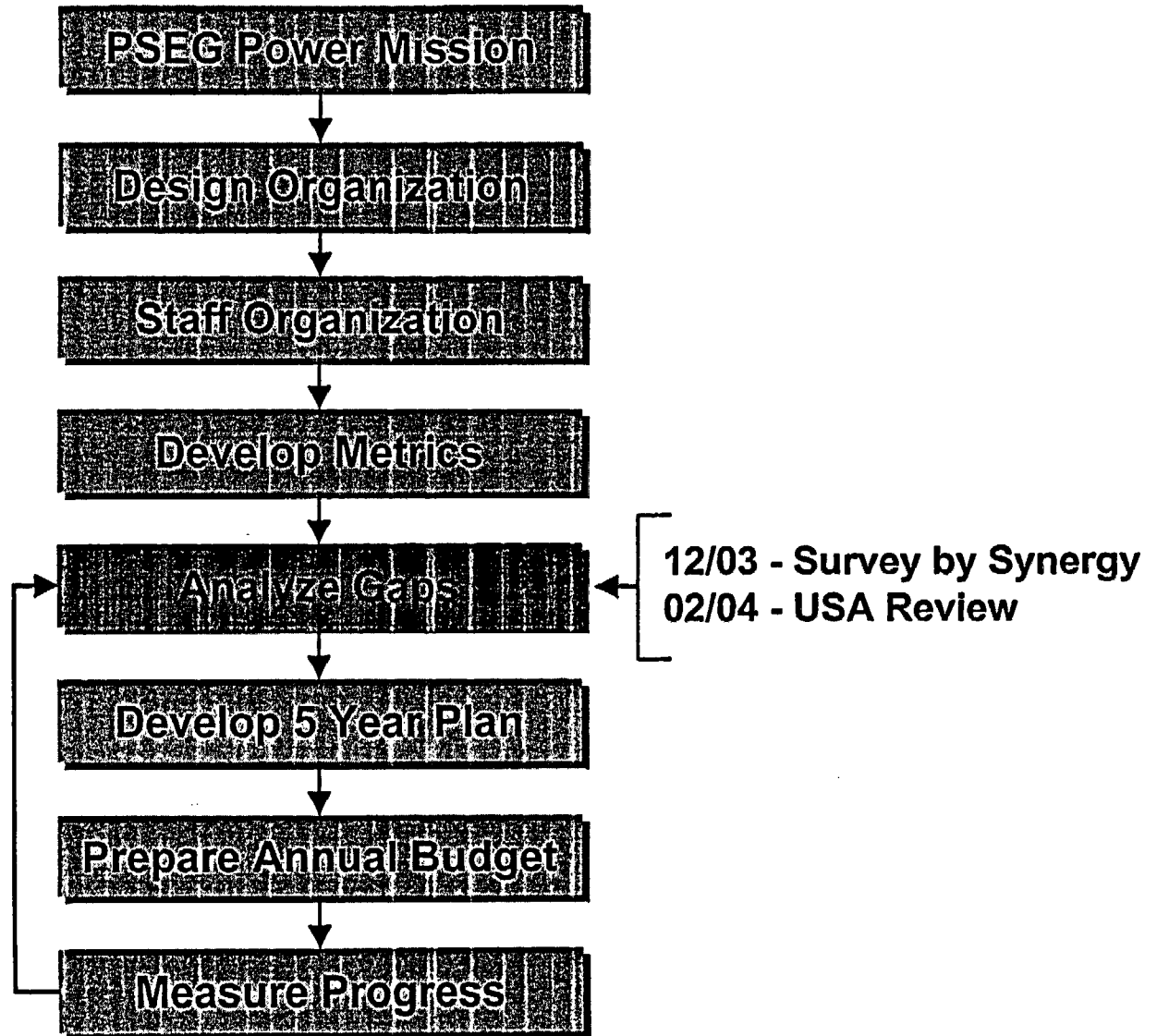


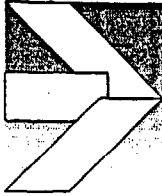
You Should Always Know Where You Fit In





Plan for Change





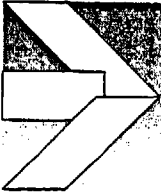
Increased Urgency for Action

Plant Equipment

Corrective Action Program

Work Management

Communication



Chris Bakken

Senior Vice President - Nuclear Operations

