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AFFILIATION: DC

ADDRESSEE: PRES Jeanne Fox

SUBJECT: Concerns New Jersey's citizens concerns regarding a merger between Exelon and Public Service Enterprise Group (PSEB)

ACTION: Information

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August 18, 2006

Jeanne M. Fox, Esq.
President
New Jersey Board of Public Utilities
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Newark, New Jersey 07102

To President Fox:

I am writing to you on behalf of SEIU, which represents 28,000 working men and women in the state of New Jersey.

In its recent move to acquire Public Service Enterprise Group (PSEG), Exelon Corporation gave assurances that one of the benefits of the merger would be increased safety at PSEG's nuclear sites.¹

When considering Exelon's overall record with running its nuclear plants, however, we urge you to take into account recent events reported in the press. These events raise serious questions about Exelon's security track record:

- On July 27, 2006, *Nucleonics Week* reported that Exelon and its security contractor, Wackenhut, reached a settlement with former director of nuclear operations, John Jasinski, over possible whistleblower retaliation. In his filing, Jasinski raised serious allegations about security at Exelon nuclear plants and was fired for allegedly trying to "raise compliance issues...and [for] collecting evidence of violations."²
- On July 26, 2006, a security supervisor was caught sleeping while on duty at the Limerick nuclear plant in Pennsylvania.³
- In May 2006, according to an *Associated Press* report, a security guard at the Three Mile Island (TMI) nuclear facility in Pennsylvania failed to see an inspector during a surprise visit. This alleged lapse followed five reports of employee "inattention" in the last two years at TMI.⁴
- In January 2006, the *Harrisburg Patriot-News* reported that a memo written by John Young, head of security at Three Mile Island, warned veteran guards who were allegedly informing new hires of the best places to take naps at the facility to stop this practice immediately. The newspaper

¹ Docket No. EC05-43-000, Exelon Corporation and Public Services Enterprise Group, Inc.; Before the Federal Energy Regulatory Commission, United States of America, February 4, 2005.

² "Exelon, Wackenhut settle case over nuclear security Allegations," *Nucleonics Week*, July 27, 2006.

³ "Security Firm Has Had Problems With Sleeping Guards," *The Pottstown Mercury*, August 3, 2006.

⁴ "Three Mile Island Guard Playing Video Game Fails to See Inspector," *Associated Press*, May 29, 2006.

also reported employees working excessive hours; one officer reportedly worked more than 150 hours in a 14-day period.⁵

In addition, Exelon's security contractor, the UK-based Wackenhut Corporation, has a long and troubled history at nuclear facilities. Among other things, Wackenhut:

- **Botched a security drill** at DOE's Nevada Test Site; two senior DOE officials describe "...recent significant physical security performance problems at [NTS]..."⁶
- **Profited from overtime**; shortened the protective force on combat training; implemented excessive overtime; was caught cheating during one security drill and involved in a near-friendly fire incident in another at DOE's Y-12 nuclear weapons plant.⁷ (Wackenhut Services, Inc., a wholly owned subsidiary of the Wackenhut Corporation, is the security contractor at the plant.)
- **Presented false information to plant management** that was conducting a government-ordered investigation into whether employees could freely report safety concerns at Indian Point #2 Nuclear Power Plant, according to an Entergy internal investigation. In early 2003 Entergy cancelled Wackenhut's contract.

The citizens of New Jersey deserve to have a safe and affordable source of energy. We believe that merger between Exelon and PSEG could lead to a decline in the quality of the security and safety of New Jersey's nuclear facilities.

Sincerely,



Bill Ragen
Deputy Director
Property Services Division

cc: Chemistry Council of New Jersey, New Jersey Citizen Action, New Jersey PIRG Law and Policy Center, New Jersey State Senate, New Jersey State Assembly, Nuclear Regulatory Commission, the Office of Governor Jon Corzine, Public Citizen

⁵ "Hours and Fatigue Dog TMI Guards; Officers Told New Hires Where to 'Nap,' Memo Says," *Harrisburg Patriot-News*, January 29, 2006.

⁶ "Nevada Test Site Guards Perform Poorly in Mock Terrorist Assault," *Energy Daily*, February 2, 2005.

⁷ "\$3.6 Million is Awarded to Wackenhut," *The Oak Ridger*, November 24, 2004.

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FAX Transmittal Sheet

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