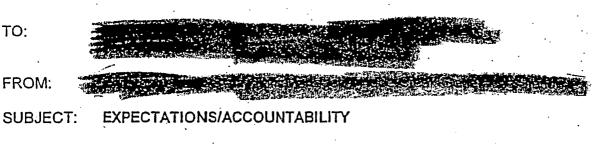


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DATE: February 10, 2003

On February 6, 2003, the Shift Managers and Assistant Operations Managers met to discuss the information presented on January 16th and the many conversations we've had with since then. We talked of the present and future of PSEG Nuclear, our behaviors, and how they support (or do not support) achieving the PSEG Nuclear Business Plan Goals. The discussion was a lively reflection; out of it we recognized two fundamental gaps of our team.

We recognized that there can be no assurance that the behaviors of the Shift Managers would be effective at causing the PSEG Nuclear 2003 (and beyond) Business Goals to be met if our actions are not taken with a knowledge of the Business Plan, and in a way that causes the intentions of that Plan to be met. The first gap is in our knowledge of the PSEG Nuclear Business Plan, and the second gap is in how to behave in our day-to-day interactions so as to cause the Business Plan and Top Quartile Goals to be met. We developed a two-pronged approach to close these gaps using the Accountability Model.

Our first action-based strategy is to learn and support the Level 1 Action Plans. We will assign a Shift Manager to each Action Plan. Shift Managers will fully digest the assigned Action Plan, becoming our subject matter expert. Shift Managers will then educate the entire Operations Leadership Team in our Leadership Team meetings. Once educated, the Leadership Team will develop strategic behaviors and actions to cause the intentions and outcomes of the Action Plans to be met. In future Operations Leadership Team meetings, we will review Action Plan progress and our behaviors and actions to date, and adjust to ensure the Action Plan goals are achieved.

Our second action-based strategy is to use the Change Management Process to effectively integrate the concept of the Shift Manager as a leader in the organization.

The first personal takeaway for me aligns very closely with the takeaway of the team. It would be unrealistic for you to expect me to cause the intentions of the Business Plan to be met without me first understanding the plan. To close that gap, I will learn the Business Plan and the Action Plans that support achieving its goals. I will learn how the INPO index is determined. These will provide the foundation upon which my behaviors and actions will be based. I will develop behaviors and actions that will cause those goals to be achieved.

Information in this record was deleted in accordance with the Freedom of Information Act, exemptions $\underline{-7C}$ FOIA- $\underline{2005-0194}$

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February 10, 2003

My second personal takeaway involves my level of engagement. I did not accept the concept of "owning the whole" and did not invest the time necessary to cause the goals to be achieved. I recently completed a leadership course; the promise I made in that course was my personal commitment to PSEG Nuclear being graded an INPO 2 or better in our next plant evaluation. One gap I have in causing that goal to be met is that I do not know how the INPO grade is determined. I will participate in an INPO E&A or an assist visit this year to close that gap. With those learnings, I will transform my behaviors and actions to cause that outcome.

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Since completion of that leadership course, I have taken on a personal commitment to achieving our business goals in their entirety. I do not know what behaviors and actions will cause these goals to be met, but certainly the behavioral model of accountability is at the core. I will use that model to be fully responsible and accountable for my behavior. I will teach others the accountability model and then expect their performance to be aligned with it.

My most significant personal gap is in how to embody the behaviors and take strategic action to cause these outcomes. Out of the promises I've made already, I have transformed my behaviors and actions. I will continue to evolve them as necessary to cause the goals to be achieved. After much consideration, I realize I do not have the insight to allow me to develop individual performance metrics to show my personal change. You have offered to provide guidance and insight; I accept youroffer and invite your insights into this area. I will seek ideas from you and others to develop personal metrics so as to continue my personal growth and improvement. I expect to rely on some personal reflection, but primarily on our performance as it relates to the PSEG Nuclear goals and the feedback and coaching I receive from others as indicators of my effectiveness.

Going forward, you can expect my behavior to no longer be parochial and focused on my crew, department, or station. You will see me exhibit accountability related to personal, crew, department, station, and corporate performance. My behaviors and actions will be aligned to cause accountability in others. You will see my steady commitment to safety causing us to achieve our safety goals. You will see my fingerprint causing corrective action effectiveness. You will see my engagement and ownership causing improvement in Work Management performance.

Attached find my Personal Development Action Plan that will become part of my 2003 Performance Partnership.

Let there be no doubt, I am on the train. My goal is to drive it.

c Operations Mangers Assistant Operations Managers Shift Managers

Personal Development Action Plan



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GAP	ACTION	DUE DATE	EXPECTED RESULT
Knowledge of the Business Plan and Action Plans	Read and understand the Business Plan, Level 1 Action Plans, and learn how to calculate the INPO index	2/21/03	Greater insight from which to develop behaviors and strategic actions
	Develop behaviors and strategic actions	2/28/03	List of behaviors and strategic actions
	Embody behaviors and take strategic actions	Ongoing from 3/7/03	Improvement (personal and organizational)
	Discuss behavioral improvements and strategic action effectiveness with key individuals	Ongoing from 4/1/03	Continuing evolvement of personal behaviors and strategic actions that cause organizational improvement
Knowledge of INPO Grading Process	Schedule participation in an INPO E&A or Assist visit	3/14/03	Greater insight into INPO grading methodology
	Interview	6/30/03	Greater insight into INPO grading methodology
	Interview	6/30/03	Greater insight into INPO grading methodology
	Interview Contraction	6/30/03	Greater insight into INPO grading methodology
	Participate in INPO E&A or Assist visit	12/31/03	Develop experience of INPO process
Implement the Accountability Model	Teach the Accountability Model to	3/14/03	They understand the Accountability Model and will be able to provide feedback to me on my behaviors
			They begin the embrace elements of the Accountability Model
	Solicit feedback	· Ongoing from 3/14/03	Continuing evolvement of personal behaviors surrounding the Accountability Model
Performance Metrics for personal change	Solicit coaching	2/21/03	Obtain coaching from 3 individuals
	Meet with coaches	3/14/03	Gain insight to be able to develop performance metrics for personal change
	Develop performance metrics for personal change	3/28/03	Performance metrics
	Share performance metrics with peers	3/31/03	Help others gain insight
	Review performance metrics	Ongoing from 3/31/03	Continuing evolvement of personal behaviors surrounding the Accountability Model