

DRAFT

Peach Bottom Supervisory Brief, rev. 2 (Sunday, September 23, 2007)

Supervisory Brief

INFORMATION FOR SUPERVISORS

Exelon
Nuclear

Exelon Provides Notice to Wackenhut to Terminate Contract at Peach Bottom

Exelon Nuclear to assume security management responsibility at Peach Bottom; Wackenhut to continue to manage all other security forces

DATE: Monday, Sept. 24, 2007

FROM: Chris Crane, Executive Vice President, Exelon, and Chief Operating Officer
Exelon Generation

INSTRUCTIONS: *Please share the following information with your employees.*

We have always had a high level of confidence in the security forces who guard our plants. Our security officers are well-trained, dedicated security professionals.

During the last 10 days, a problem was brought to our attention that we must immediately resolve. The problem came to our attention last week when Wackenhut contacted company officials regarding a videotape.

The videotape shows security guards sleeping or otherwise inattentive in a station assembly room. In the security assembly room, officers are allowed to read, study, eat or relax but must remain ready to respond to a plant location if called upon. It is used as a break room at certain times. The videos appear to have been taken three to six months ago.

Following an internal investigation surrounding these assertions, Exelon Nuclear has given Wackenhut Corp. notice that we will be terminating its contract to manage security forces at the Peach Bottom Atomic Power Station. Exelon Nuclear will work with Wackenhut to begin transitioning security forces at Peach Bottom to a new Exelon-owned security subsidiary, which will manage security there. All Exelon employees are being informed of the decision today.

Wackenhut will continue to manage security forces at all other Exelon Nuclear generation stations.

I want to be clear that the type of behavior exhibited in the video is unacceptable and will not be tolerated. We are aggressively conducting a broad internal investigation to ensure that our performance standards are being met across the fleet and to ensure that this does not happen again. We will not stop until we have uncovered all of the details and ensure decisive action is taken.

I also want to stress that we have several mechanisms in place where employees can raise concerns. The most direct method is to bring up an issue with any supervisor, whether it is your immediate supervisor or another person in a supervisory role, your

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The following areas will be measured on a monthly, quarterly, and year-to-date time table. Additionally, the metric needed to achieve "ideal" status in each area is as follows;

Metric	0	1-4	5-6	7-8	9
MRC Reportable Events	0	0	n/a	n/a	≥1
MRC Loggable Events	≤4	0-4	5-6	7-8	≥9
OSHA Recordable Events	0	0	1-2	3	≥4
Industry Safety Accident Rate	0	0-2	21-82	83-1.4	≥1.41
Amtiden	≤8%	0-8%	9-10%	11-12%	≥13%
SCWE Surveys/Scorecards	≥85%	85-100%	70-84%	55-69%	<55%
Customer Satisfaction	≥85%	85-100%	70-84%	55-69%	<55%
Employee Satisfaction	≥85%	85-100%	70-84%	55-69%	<55%
Requalification Failures	≤10%	0-10%	11%	12%	≥13%
Significant Events	0	0	n/a	1	≥2
MRC Inspection Violations	0	0	n/a	n/a	≥1
MRC FoF Violations	0	0	n/a	n/a	≥1

General applies to events attributable to WNS Security Personnel

WNS Self-Assessments / Audits

WNS has designed, developed and implemented many new enhancement initiatives and process improvements in the past several months. In order to monitor the implementation of these initiatives and identify opportunities for improvement, we have also initiated an audit process that assesses the following areas:

1. Ideal Facility Data Input
2. Site Enhancement Plans
3. Safety Processes
4. SCWE Processes and Programs
5. Human Performance
6. Training and Compliance
7. Personal Objectives and One-on-Ones



DRAFT Peach Bottom News Release 2

Exelon to Terminate Wackenhut Security Contract at Peach Bottom

Rev 4

KENNETT SQUARE, Pa. (Sept. 25, 2007) – Exelon Nuclear today gave Wackenhut Corp. notice that it will terminate its contract to manage security forces at the Peach Bottom Atomic Power Station. This follows an internal investigation surrounding assertions that its security guards were videotaped sleeping or otherwise inappropriately inattentive in a station ready room, the company announced today.

“This is not acceptable and we will not tolerate it,” said Exelon Generation Chief Operating Officer Chris Crane. “I want to be clear that nothing has happened at Peach Bottom that represents a security or safety threat to the public. We are dealing with unacceptable behavior, and we will fix it.”

While the most prominent step is removing Wackenhut at Peach Bottom, “we have taken and will take additional measures to prevent this from recurring,” Crane said.

A broad review of security management by Wackenhut is underway at all of Exelon Nuclear’s 10 operating nuclear energy sites. At Peach Bottom, employees are being informed of the decision and related changes.

“We have a high level of confidence in the vast majority of the security forces who guard our plants,” Crane said. “These are well-trained, dedicated security professionals. Our immediate concern is with how they are managed and the performance standards they are asked to meet.”

Exelon is cooperating with the NRC in the matter and has brought in outside experts to participate in the internal investigation, which began immediately after the company received its first information about the inattentive officers.

The video images of inattentive officers were taken in what is known as a “ready room,” or assembly room, a secured location within Peach Bottom where they are allowed to read, study, eat or relax but remain ready to respond to a plant location if called upon. It is used as a break room at certain times. The videos were reportedly taken between January and August of this year.

Exelon officials have viewed the videos, and have verified that Peach Bottom officers in this assembly room were nodding off or sleeping, which is not allowed at any time. The inattentive officers were sitting in chairs.

“It is important for us to emphasize again that the actions we have seen on the videotape and found in our internal inquiry did not directly impact the safety and security of the plant,” Crane said. “However, we will not accept, we will not allow, any member of our security force to be anything other than fully alert at all times on duty. This is a long-standing and well-understood principle on which we will never compromise.”

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Internal Communications & Outreach Plan

Wackenhut Removed From Managing Security at Peach Bottom

Updated: Sunday, Sept. 23, 2007 – REV. 2

(all times Eastern)

Action Date	Action	Responsibility	Audience	Comments	Status
Sept. 25 ~ 6 a.m.				we already have worked with on this story	
Tuesday, Sept. 25 9 a.m.	Begin distribution of press release to EPPI lists for PA, MD & NJ	Public Affairs	External Stakeholders in PA, MD, NJ	<ul style="list-style-type: none"> • See Public Affairs Plan and contacts (attached) 	
Tuesday, Sept. 25 TBA	Conference call to discuss follow-up actions	Nesbit	Nuclear communications team	<ul style="list-style-type: none"> • 	
Wednesday, Sept. 26	Develop new communications plan for "DAY 1" communications strategy that includes the following pieces: <ul style="list-style-type: none"> • Implement employee feedback forums (hotline, email) • Set up information repository • Logo and branding strategy "Day 1" (new security organization) communications begins <ul style="list-style-type: none"> • Internal communications <ul style="list-style-type: none"> ○ Supervisor talking points, supervisory brief, cascade ○ Employee benefits, welcome kits, Q&A, all hands meetings • External communications <ul style="list-style-type: none"> ○ Media • EPPI (Public officials) 	Nesbit to establish management lead		<ul style="list-style-type: none"> • 	

**Peach Bottom Allegation
Nuclear Public Affairs Outreach
Monday, September 24, 2007**

KEY STAKEHOLDER	NAME	TITLE	9/19/2007 Press Release	9/24/2007 Outreach	OWNER
PA Office of Gov. Rendell	Roy, Scott	Deputy Chief of Staff	Received		Chiomento
MD Office of Gov. O'Malley	Lauland, Andy	Governor's Director of Homeland Security	Received		Chiomento
IL Office of Gov. Blagojevich	Morganthaler, Jill COL	Deputy Chief of Staff for Homeland Security			Brown, C.
NJ - Office of Gov. Corzine	Moran, Maggie	Deputy Chief of Staff			Laird
NJ - Office of Gov. Corzine	Lewis, Larry	Governor's Liaison for Homeland Security			Laird
MD Department of the Environment	Wilson, Shari	Secretary	Received	Mike Griffen, Nuc. EP Coord.	Benson
PA Department of Environmental Protection	McGinty, Kathleen	Secretary	Received	Joe Powers, Exec. Deputy Secretary	Crane
PA Department of Environmental Protection	Powers, Joe	Exec. Deputy Secretary	Received		Freeman
PA Emergency Management Agency	Comey, John	Legislative Liaison	Received		Chiomento
MD DNR - Power Plant Research Group	McLean, Rich	Power Plant Assessment Division	Received		Chiomento
NJ - Office of Homeland Security & Preparedness	Cañas, Dick	Director			Laird
NJ Department of Environmental Protection	Jackson, Lisa	Commissioner			Laird
PA State Representative - Dist. 100 - Cutler, Bryan			Received		Chiomento
PA State Representative - Dist. 013 - Hershey, Art			Received		Chiomento
PA State Representative - Dist. 094 - Saylor, Stan			Received		Chiomento
MD House of Delegates - 35A - Glassman, Barry			Received		Chiomento
MD House of Delegates - 35A - Stiffler, Donna			Received		Chiomento
MD House of Delegates - 34B - Rudolph, David			Received		Chiomento
MD State Senate - 35 - Hooper, Bob	Jones, Margaret	District Staff	Received		Chiomento
MD State Senate - 34 - Jacobs, Nancy	Shires, Brian	District Staff	Received		Chiomento
PA State Senate - Dist. 13 - Armstrong, Gib	Latta, Chris	Chief of Staff	Received		Chiomento
PA State Senate - Dist. 28 - Waugh, Mike	Hubner, Nadine	District Staff	Received		Chiomento
NJ State Senate - Dist. 9 - Connors, Leonard					Laird
NJ Assemblyman - Dist. 9 - Connors, Chris					Laird
NJ Assemblyman - Dist. 9 - Rumpf, Brian					Laird
US House - MD Dist. 01 - Gilhrest, Wayne	Sanders, Virginia	District Director	Received		Chiomento/Brown, D.
US House - MD Dist. 06 - Bartlett, Roscoe	Burell, Debra	District Director	Received		Chiomento/Brown, D.
US House - PA Dist. 16 - Pitts, Joe	Tillett, Tom	District Director	Received		Chiomento/Brown, D.
US House - PA Dist. 19 - Platts, Todd	Reilly, Bob	District Director	Received		Chiomento/Brown, D.
US House - PA Dist. 17 - Holden, Tim	Smith, Tim	District Director	Received		Chiomento/Brown, D.
US House - NJ Dist. 04 - Smith, Chris	Mueller, Candice	District Director			Laird
US House - NJ Dist. 03 - Saxton, Jim	Richards, Joan	District Director			Laird
US Senate - PA - Casey, Bob	Walsh, Karen	State Director, Harrisburg	Received		Chiomento/Brown, D.
US Senate - PA - Specter, Arlen	Mills, Gale	State Director, Harrisburg	Received		Chiomento/Brown, D.
US Senate - MD - Cardin, Ben		DC Office Only			Brown, D.
US Senate - MD - Mikulski, Barbara		DC Office Only			Brown, D.
US Senate - IL - Obama, Barack		DC Office Only			Brown, D.
US Senate - IL - Durbin, Dick		DC Office Only			Brown, D.
US Senate - NJ - Lautenberg, Frank		DC Office Only			Brown, D.
US Senate - NJ - Menendez, Bob		DC Office Only			Brown, D.
Harford County Executive David Craig	Tomarchio, Aaron	Chief of Staff	Received		Chiomento
York County commissioners	Mitrick, Lori	Chairman	Received	Vickie Glatfelter, Asst. Clerk	Benson
Lancaster County commissioners	Shellenberger, Dick	Chairman	Received	Charlene Cristy, Chief Clerk	Benson
Cecil County commissioners	Wein, Al	County Administrator	Received		Benson
Chester County commissioners	Aichele, Carol	Chairman	Received	Evelyn Walker, Chief Clerk	Benson
Delta Borough	Mason, Jim	Mayor	Received		Benson
Delta Borough	Strickland, Kerri	Administrator	Received		Benson
Lower Chanceford Board of Supervisors	Taylor, J. Donnell	Chairman	Received		Benson
Fawn Grove Township	Scott, Bill	Mayor	Received		Benson
Peach Bottom Township	Bilger, Cathy	Township Manager	Received		Benson

Cowan, Pam

From: Chiomento, Thomas V.
Sent: Sunday, September 23, 2007 11:02 AM
To: Schilpp, April
Cc: Freeman, Jan; Cowan, Pam; Laird, James L; Brown, David C. (Washington); Brown, Christopher D.; Benson, Rachelle; Dominguez, Joseph
Subject: Re: Public Affairs Outreach

Great. Thanks April.

Thomas V. Chiomento, III
Exelon Generation, LLC

----- Original Message -----

From: Schilpp, April
To: Chiomento, Thomas V.
Cc: Freeman, Jan; Cowan, Pam; Laird, James L; Brown, David C. (Washington); Brown, Christopher D.; Benson, Rachelle; Dominguez, Joseph
Sent: Sun Sep 23 09:57:47 2007
Subject: RE: Public Affairs Outreach

Thom,
All of this looks good and will be captured in the final plan. The only clarification I have, as we discussed, is that we are using the term "assembly room" rather than "ready room" in the talking points.
Thanks very much,
April

-----Original Message-----

From: Chiomento, Thomas V.
Sent: Sunday, September 23, 2007 9:25 AM
To: Schilpp, April
Cc: Freeman, Jan; Cowan, Pam; Laird, James L; Brown, David C. (Washington); Brown, Christopher D.; Benson, Rachelle; Dominguez, Joseph
Subject: Public Affairs Outreach

April,
Attached is the updated list for tomorrow's outreach. The plan for timing is as follows:

Monday, 10:30 a.m. (Eastern)

Laird to brief NJ DEP Commissioner Jackson during pre-scheduled meeting (THIS WILL BE AN EARLY NOTIFICATION)

Tuesday, ^{Monday} 12:00 p.m. (Eastern) - (Per Communications Plan)
Outreach will be conducted to attached list

Tuesday, 9:00 AM (Eastern)

Begin distribution of press release to EPPI lists for PA, MD & NJ

Also, we intend to make the following KEY points during our discussions - PLEASE CONFIRM THAT THESE MESSAGES ARE CONSISTENT WITH COMMUNICATIONS STRATEGY:

1. An explanation of Exelon Nuclear's decision to terminate its contract with Wackenhut Corp. to manage security forces at PB, and that a broad review of security management by Wackenhut is underway at all of Exelon Nuclear's 10 operating nuclear energy sites.

2. The decision regarding Wackenhut is based on an internal investigation following assertions that its security guards were videotaped sleeping or otherwise inattentive in a

station ready room.

3. Exelon will be issuing a press release on Tuesday morning announcing the termination of the contract with Wackenhut at PB.

4. Inform the stakeholders of Exelon Generation COO Chris Crane's participation in an interview with WCBS (New York) about the video. We will explain that the story is scheduled to air on Monday night, and will likely get local media - and possible national - coverage thereafter.

Thanks,
Thom

<< File: PB Allegation_Public Affairs_rev 3.xls >>

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