

PSEG Nuclear NRC Region I Update

Tom Joyce, President & CNO

Robert Braun, Vice President Salem

Carl Fricker, Vice President Operations Support

John Perry, Hope Creek Plant Manager

Christine Neely, Director Regulatory Affairs

June 18, 2009



PSEG

Nuclear LLC

Agenda

Introductions and Overview

Tom Joyce

Security Update

Carl Fricker

Hope Creek Performance Update

John Perry

Salem Performance Update

Bob Braun

License Renewal & New Nuclear

Christine Neely

Closing Comments

Tom Joyce



EXCELLENCE

Continuous Improvement

Learning Organization

Cross-Functionals

BASE CAMP

THE
Journey
to

EXCELLENCE
REQUIRES A STRONG
BASE CAMP

Areas for
Improvements

- Fundamentals
- Corrective Action Program
- Self-Assessments
- Oversight

Beginning
the CLIMB

PSEG Nuclear 2009 Objectives

Industrial Safety Excellence

Equipment Reliability Excellence

Refueling Outage Excellence

Developing Our People

Running the Business



Security Update



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Security Excellence Plan

Work Environment

- Communications
- Integration with Site Organization (Part of the Team)
 - Executive & Crew MRMs
 - Safety Committee
- Staffing
 - Increased PSEG Security Staffing/Oversight
 - Security Engineer Position
 - New Officers to Support Fatigue Rule

Equipment

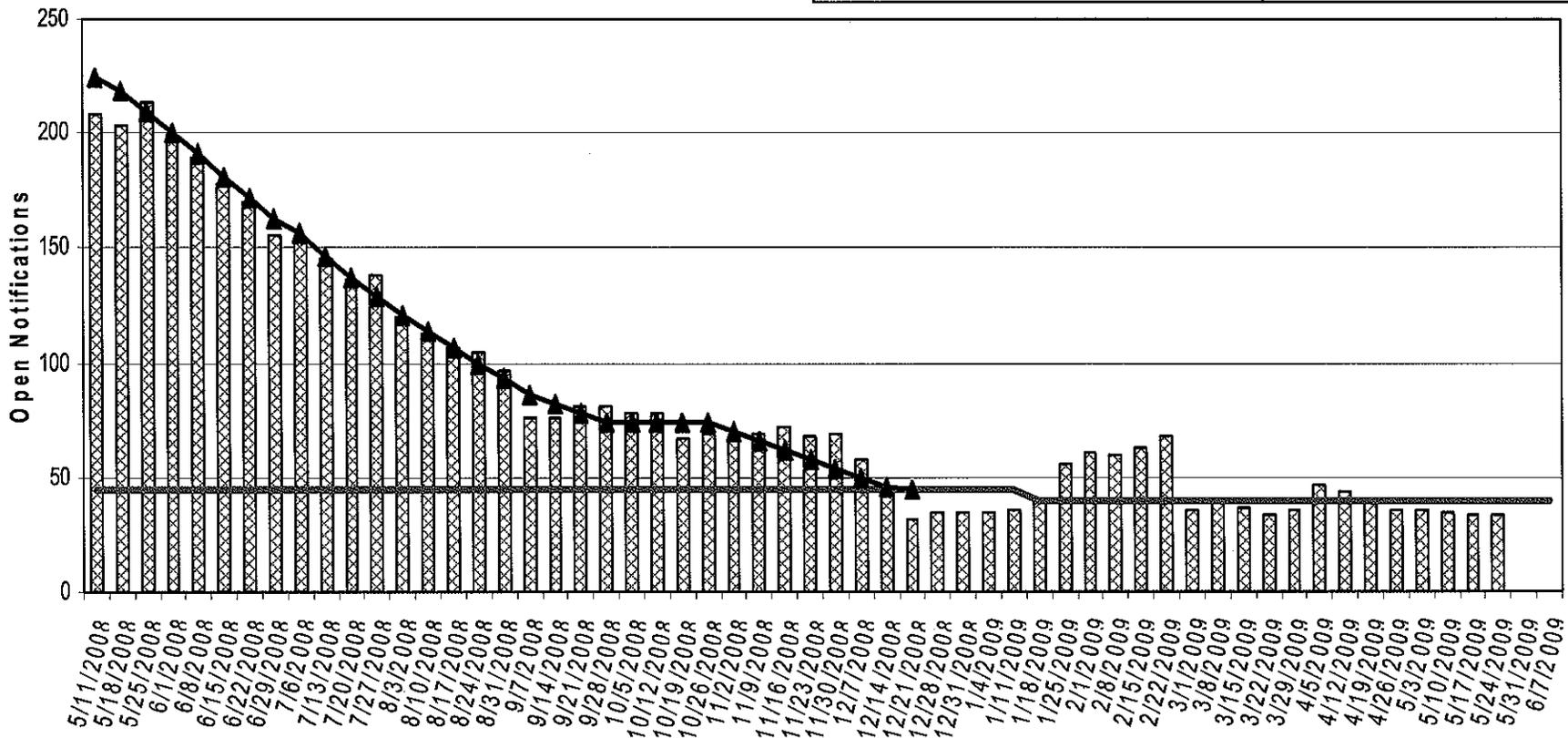
- Corrected “Long-Standing” Maintenance Issues
- Ensure Security Equipment is Repaired in Timely Manner

Security Excellence Plan

Security - Work Orders / Notifications - CM's Only (Total Open Work Orders / Notifications)

PI Owner: Fred Mooney - Manager Maintenance Services
 Data Owner: Kathy LeCuyer
 Chart Owner: Debbie Tucker

| | |
|---|----------------------------|
| PI Measures Total open notifications related to Security Equipment requiring Maintenance. | Basis: Industry comparison |
|---|----------------------------|



Total Open Items
 Goal
 TOTAL BURNCURVE



Security Excellence Plan – Human Performance

Behaviors

- Observation Program
- Fundamental of the Month
- Human Performance Training
 - Lesson Plans Incorporate Human Performance (HU)
 - 8 hrs in Initial Training Dedicated to HU/Risk Awareness
- Common Cause Competed on Security Initiated logable Events

Actions Remaining

- Quarterly HU Videos

Security Excellence Plan – Human Performance

Procedure Upgrade Project

- Regs → Security Plan → Implementing Procedures
- Officers Included in Review Process
- Will be Complete by August, 2009

Procedure Use and Adherence Key Focus Area

- Field Books
- Weekly Procedure Proficiency Challenges
- Procedure Tests
- Management Observations Focusing on Procedure Use and Adherence

Industry Issues

Security Rule

- Project Team in Place
- Capital Funding Approved
- Challenging Implementation Timeline

Attentiveness

- PSEG is Following the NEI Guidance for Attentiveness
- Implemented the Use of Additional Attentiveness Aid
- Management Observations
 - Field and Break Rooms Included
 - Back Shift Observations



Hope Creek Performance Update



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Hope Creek Scorecard – Results through May

| | May Results | May Goal | Year-End Stretch |
|---|-------------|----------|------------------|
| People Providing | | | |
| Total Industrial Safety Accident Rate (TISAR 18 Months) | 0.29 | 0.14 | 0.10 |
| OSHA Recordable Incident Rate (YTD) | 0.75 | 0.26 | 0.26 |
| Event-free Clock Resets (YTD) | 4 | 2 | 3 |
| Succession Planning (Quarterly) | 57% | 70% | 70% |
| OSHA Days Away from Work (YTD) | 0.38 | 0.00 | 0.00 |
| Employee Development MAST (YTD) | 19% | 10% | 92% |
| Employee Technical Training BU (YTD) | 100% | 100% | 100% |
| Safe, Reliable | | | |
| INPO Performance Index | 99.2 | 100.0 | 100.0 |
| MSPI Margin (Systems in Action Status) | 0 | 0 | 0 |
| Regulatory Performance | Green | Green | Green |
| Collective Radiation Exposure (YTD) | 132.5 | 134.8 | 153.0 |
| Equipment Reliability | 88 | 85 | 85 |
| Economic | | | |
| Production Cost (\$/MWh YTD) | 30.5 | 29.6 | 21.3 |
| O & M Budget Controllable (\$M YTD) | 190 | 193 | 429 |
| Capital Projects Results (Quarterly + month lag) | 101.8% | 95% | 95% |
| Current Capital Performance (month lag) | 1.1 | 1.0 | 1.0 |
| Total Generation (GWhrs YTD, Net 2) | 3,535 | 3,663 | 9,744 |
| Summer Generation (GWhrs, Net 2) | 0.0 | 0.0 | 2,586 |
| Forced Loss Rate (YTD) | 3.85 | 0.55 | 0.55 |
| Green Energy | | | |
| Radwaste (Cubic Meters YTD) | 37.9 | 121.0 | 250.0 |
| Waste Disposal (Haz & Non-Haz YTD) | 237 | 292 | 700 |
| Air, Water, Spills (All Exceedances YTD) | 0 | 1 | 1 |
| Notice of Violations (YTD) | 0 | 0 | 0 |

Year end goals reflect Corporate Scorecard unless Nuclear stretch goal established

Goal Not Met 

ERI through May 2009

| Area | ERI Sub-Indicator No. | ERI Sub-Indicators | ERI Points Maximum | HOPE CREEK |
|-------------------------------------|-----------------------|--|--------------------|------------|
| Elec. Generation (Lagging) | 1.1 | Forced Loss Rate (Industry definition - 18 mo. running average) | 10 | 6 ↓ |
| | 1.2 | Unplanned Power Reductions per 7000 hrs Critical (NRC Indicator) | 10 | 10 |
| | 1.3 | Post Refueling Outage Performance (100 Days) | 2 | 2 |
| Challenge to Ops (Lagging) | 2.1 | Unplanned LCO Entries (<=72 hrs in last 3 months) | 4 | 4 |
| | 2.2 | Operator Work-Arounds | 2 | 2 |
| | 2.3 | High Critical Component Failures (in last 3 months) | 10 | 8 ↓ |
| System Health (Lagging) | 3.1 | Safety System Unavailability (NRC Indicators - M.S.P.I) | 6 | 8 |
| | 3.2 | Sys Health Improvement Effectiveness | 6 | 6 |
| Maintenance (Lagging) | 4.1 | Corrective Maintenance Backlog (Non-Outage) | 3 | 2 |
| | 4.2 | Total Maintenance Backlog (Non-Outage) | 4 | 4 |
| | 4.3 | Deferral of PMs (Critical Equipment) | 4 | 4 |
| | 4.4 | Maintenance Feedback (% of PMs with Feedback) | 2 | 2 |
| | 4.5 | Timely Completion of PMs (1st Half of Grace) | 6 | 6 |
| Work Management (Leading) | 5.1 | Work Week Schedule Stability (Average of last 3 months) | 6 | 3 |
| | 5.2 | Work Week Schedule Adherence (Average of last 3 months) | 6 | 6 |
| Long Term Planning (Leading) | 6.1 | Long Range Plan Implementation Effectiveness | 7 | 7 |
| | 6.2 | Age of Red & Yellow Systems | 6 | 6 |
| Monitoring & Trending (Leading) | 7.1 | Chemistry Effectiveness Index (18-mth) | 2 | 1 ↑ |
| AP-913 Process (Leading) | 8.1 | PM Program Bases | 2 | 1 |
| ERI Point Total | | | 100 | 88 |
| ERI Monthly Goal | | | May-09 | 85 |
| ERI Year-End Goal | | | (1.6 Goal) | 85 |
| Leading Indicators | | | 47 | 42 |
| Lagging Indicators | | | 53 | 46 |
| ERI Point Total (Last Month) | | | Apr-09 | 89 |
| Current Ind. TQ | 85 | | | |
| Current Ind. Median | 76 | | | |

Hope Creek RF 15 Outage Results

Zero OSHA Recordables

ALARA Dose 118.7 Person REM

Outage Duration 23 Days

Improvements Implemented

- Operation's Leadership
- Effective Resolution of RF14 Lessons Learned
- Work Package Quality Improvements
- Supplemental Personnel Readiness

Areas for Improvement

- Lifting and Rigging
- Enhanced Focus on Scope Changes

Recent Challenges

Emergency Diesel Generator

- 'B' & 'D' Rectifier Selector Switch
- 'B' Strainer DP Issue
- 'D' EDG SACs Valve – (Relays Obsolete)
- 'C' EDG Frequency Fluctuations
- Housekeeping

SCRAM Due to Discharge Air Header Leak

Industrial Safety

Hope Creek Procedure Adherence Focus Area

**Focus Area – Caused by Reduced Reinforcement and LTA
Accountability**

Re-Constitute FMS Observation Action Plan

Complete Common Cause Analysis

Metrics to Monitor Internalization and Sustainability

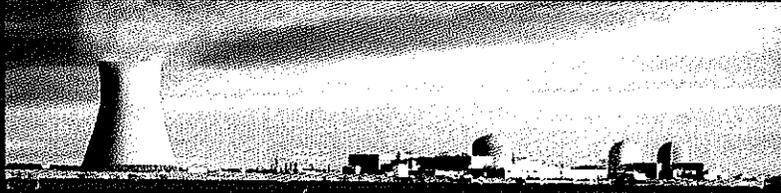
Hope Creek Key Events for 2009

Completed

- NRC Groundwater Temporary Inspection
- RF15
- Security Baseline Inspection
- Hostile Action Based Drill

Upcoming

- Implementation of the Work Hour Rule
- INPO Emergency Preparedness Evaluation
- Component Design Basis (CDBI)



Salem Performance Update



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Salem Scorecard – Results through May

| | May Results | May Goal | Year-End Stretch |
|---|-------------|----------|------------------|
| People Providing | | | |
| Total Industrial Safety Accident Rate (TISAR 18 Months) | 0.22 | 0.23 | 0.12 |
| OSHA Recordable Incident Rate (YTD) | 0.65 | 0.26 | 0.26 |
| Event-free Clock Resets (YTD) | 1 | 2 | 4 |
| Succession Planning (Quarterly) | 57% | 70% | 70% |
| OSHA Days Away from Work (YTD) | 0.00 | 0.00 | 0.00 |
| Employee Development MAST (YTD) | 19% | 10% | 92% |
| Employee Technical Training BU (YTD) | 100% | 100% | 100% |
| Safe, Reliable | | | |
| INPO Performance Index | 88.37 | 89.15 | 98.50 |
| MSPI Margin (Systems in Action Status) | 1 | 2 | 0 |
| Regulatory Performance | White | Green | Green |
| Collective Radiation Exposure (YTD) | 1.0 | 2.0 | 106.2 |
| Equipment Reliability | 86 | 83 | 85 |
| Economic | | | |
| Production Cost (\$/MWh YTD) | 12.42 | 13.10 | 15.68 |
| O & M Budget Controllable (\$M YTD) | 190 | 193 | 429 |
| Capital Projects Results (1 month lag) | 101.8% | 95% | 95% |
| Current Capital Performance (month lag) | 1.1 | 1.0 | 1.0 |
| Total Generation (GWhrs YTD, Net 2) | 8,481 | 8,372 | 19,331 |
| Summer Generation (GWhrs, Net 2) | 0 | 0 | 4,972 |
| Forced Loss Rate (YTD) | 1.02 | 0.55 | 0.55 |
| Green Energy | | | |
| Radwaste (Cubic Meters YTD) | 25.0 | 46.0 | 140.0 |
| Waste Disposal (Haz & Non-Haz YTD) | 237 | 292 | 700 |
| Air, Water, Spills (All Exceedances YTD) | 1 | 1 | 2 |
| Notice of Violations (YTD) | 0 | 0 | 0 |

Year end goals reflect Corporate Scorecard unless Nuclear stretch goal established

Goal Not Met

ERI through May 2009

| Area | ERI Sub-Indicator No. | ERI Sub-Indicators | ERI Points Maximum | SALEM 1 | SALEM 2 |
|---------------------------------|-----------------------|--|--------------------|-------------------|-----------|
| Elec. Generation (Lagging) | 1.1 | Forced Loss Rate (Industry definition - 18 mo. running average) | 10 | 6 | 6 ↑ |
| | 1.2 | Unplanned Power Reductions per 7000 hrs Critical (NRC Indicator) | 10 | 8 | 10 ↑ |
| | 1.3 | Post-Refueling Outage Performance (100 Days) | 2 | 2 | 2 |
| Challenge to Ops (Lagging) | 2.1 | Unplanned LCO Entries (≤72 hrs in last 3 months) | 4 | 0 | 3 ↑ |
| | 2.2 | Operator Work Arouns | 2 | 2 | 2 |
| | 2.3 | High Critical Component Failures (in last 3 months) | 10 | 10 | 10 ↑ |
| System Health (Lagging) | 3.1 | Safety System Unavailability (NRC Indicators - MSP1) | 8 | 8 | 8 |
| | 3.2 | Sys Health Improvement Effectiveness | 6 | 6 | 6 |
| Maintenance (Lagging) | 4.1 | Corrective Maintenance Backlog (Non-Outage) | 3 | 3 | 3 |
| | 4.2 | Total Maintenance Backlog (Non-Outage) | 4 | 4 | 4 |
| | 4.3 | Deferral of P.M.s. (Critical Equipment) | 4 | 4 | 4 |
| | 4.4 | Maintenance Feedback (% of P.M.s with Feedback) | 2 | 2 | 2 |
| | 4.5 | Timely Completion of P.M.s (1st Half of Grace) | 6 | 6 | 6 |
| Work Management (Leading) | 5.1 | Work Week Schedule Stability (Average of last 3 months) | 6 | 3 | 3 |
| | 5.2 | Work Week Schedule Adherence (Average of last 3 months) | 6 | 6 | 6 |
| Long Term Planning (Leading) | 6.1 | Long Range Plan Implementation Effectiveness | 7 | 7 | 7 |
| | 6.2 | Age of Red & Yellow Systems | 6 | 6 | 4 |
| Monitoring & Trending (Leading) | 7.1 | Chemistry Effectiveness Index (18 mth) | 2 | 0 | 1 |
| AP-913 Process (Leading) | 8.1 | PM Program Bases | 2 | 1 | 1 |
| ERI Point Total | | | 100 | 84 | 88 |
| ERI Monthly Goal | | | May 09 | 85 | 85 |
| 65 to 84 | | | 65 | ERI Year-End Goal | 85 |
| 50 to 64 | | | 50 | (15 Goals) | 85 |
| Leading Indicators | | | 47 | 41 | 40 |
| Lagging Indicators | | | 53 | 43 | 48 |
| Current Ind. T.O. | 85 | ERI Point Total (Last Month) | | Apr 09 | 84 |
| Current Ind. Median | 76 | | | | 79 |

Recent Challenges

Unit 1 Steam Generator Resin Intrusion

Station Power Transformer

Increased Focus on Chemistry Performance

Salem Operational Excellence Focus Area

Use and Reinforce Human Performance and Error Prevention Tools

Specific Areas of Focus:

- Procedure Use and Adherence
- Procedure and Work Document Quality
- Accountability

Overall Trends Reflect Continuing Improvement

Salem Key Events for 2009

Completed:

- 95002 Public Meeting
- NRC Groundwater Temporary Inspection
- Security Baseline Inspection
- Occupational Radiation Safety Inspection

Upcoming:

- Problem Identification & Resolution Inspection
- Work Hour Rule Implementation
- INPO Emergency Preparedness Evaluation
- Salem 2R17 Refueling Outage



License Renewal and New Nuclear



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License Renewal Update

First Publically Noticed NRC Meeting Held in March

Senior Management Challenge Meeting Held in June

Outreach Underway

Application Scheduled for Submittal in August

- NRC will Perform a Sufficiency Review
- Provide a Review Schedule

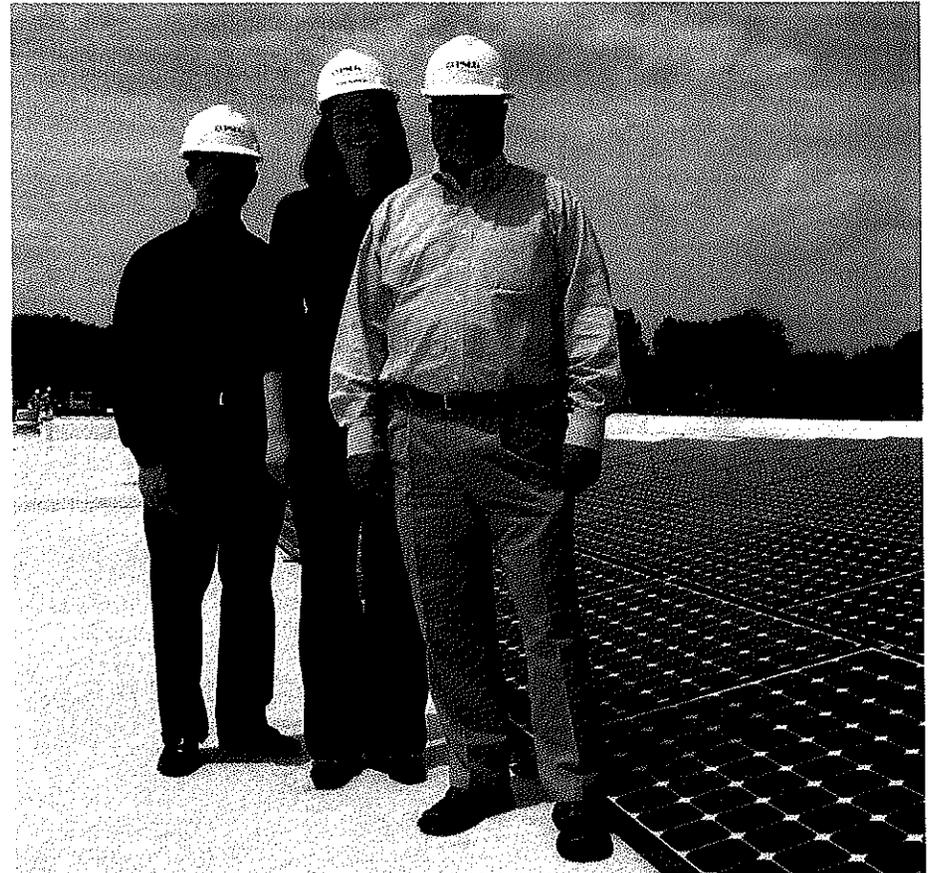
Recently Completed Activities

- Geotechnical Field Work Activities
- Plant Parameter Envelope (PPE) Developed
- First NRC Geotechnical Review Meeting
- Emergency Plan Approach Kick-off Held with External Stakeholders
- NRC Environmental Team On-site Visit

On Schedule for a Filing in Second Quarter of 2010

Energy & Environmental Resource Center

- Solar Panels Installed
- Wind Turbine Being Installed
- Facilities Under Construction
- Exhibit Content Design Nearing Finalization
- Exhibit Fabrication Competitive Bid
- On Track for Grand Opening in December





PSEG Nuclear Region I Update

Closing Comments and Questions



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