

From: Daniel Orr
To: Glenn Meyer
Date: 3/31/04 7:35AM
Subject: AI Observations

Yesterday I spoke with [REDACTED] regarding system engineering initiatives. One thing that came out was an announcement that PSEG is intending to allocate new money, \$2.3M towards engineering backlogs. These backlogs include drawing revisions, calc revisions, etc., mostly in the design arena. I asked [REDACTED] about how things have changed his workload since the January 28 letter. There has been no direct impact at his level, [REDACTED] but it does add to how he and his staff deal with business and issues. He was very supportive of our regulatory response. It was [REDACTED] opinion that PSEG's recent commitment to reducing the corrective maintenance backlog and this late breaking allocation towards reducing engineering backlogs can be attributed to the SCWE concern. The \$2.3M was shared in confidence. [REDACTED] did not think that PSEG had yet worked through all the financial details and had not announced the expenditure internally.

Dan

CC: A. Randolph Blough; George Malone; Marc Ferdas; Mel Gray; Scott Barber

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