

From: Glenn Meyer *la*
To: Jarriel, Lisamarie; Miller, Hubert J.; Salem / HC Group; Wiggins, James
Date: 3/16/04 12:49PM
Subject: Meeting briefing - Today at 1:30 m

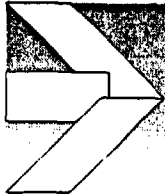
E42

The briefing for the March 18 PSEG management meeting will occur Today at 1:30 pm in the Executive Conference Room. If outside Region 1, please call into the NRC conference call system and use passcode *EXL*

Sorry for the "Just-in-Time" package delivery, but I was awaiting the PSEG slides (1st attachment). The plan for Salem (including the meeting) is the 2nd attachment and the possible questions are the 3rd attachment.

CC: Matakas, Gina

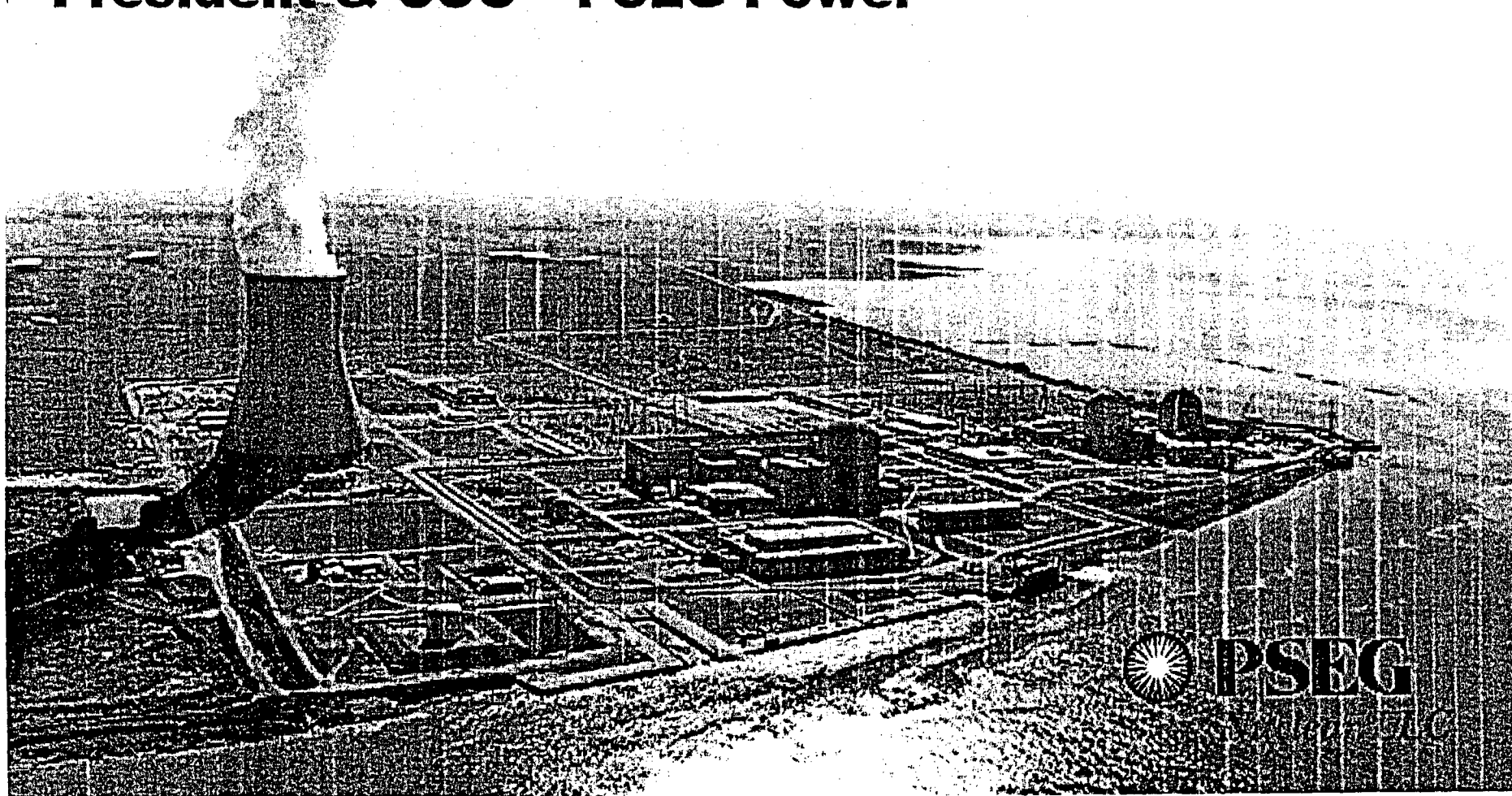
T-112



PSEG NUCLEAR LLC

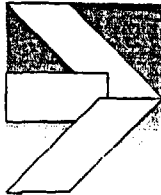
Frank Cassidy

President & COO – PSEG Power



PSEG

POWER



Agenda

Frank Cassidy

- Corporate Commitment
- Independent Assessment Team Charter

Roy Anderson

- Plan for Change

Chris Bakken

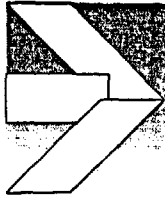
- Plan to Assess, Integrate, and Measure Progress

Jim O'Hanlon

- Independent Team Status

Frank Cassidy

- Conclusions



Corporate Commitment

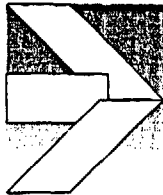
PSEG NUCLEAR LLC

Operate Salem/Hope Creek Safely

Salem/Hope Creek Remains Critical to PSEG and the Public

Salem/Hope Creek to Receive Required Resources

Assure a Strong Safety-Conscious Work Environment at Salem/Hope Creek



PSEG Corporate Organization

PSEG NUCLEAR LLC



PSEG

E. J. Ferland
Chairman of the Board,
President & CEO

T. M. O'Flynn
Chief Financial Officer

R.E. Selover
General Counsel



PSEG



PSEG

Power LLC

F. Cassidy
President & COO



PSEG

Energy Holdings



PSEG

Services Corporation



PSEG

Fossil LLC



PSEG

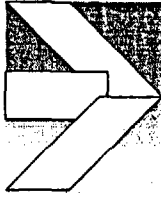
Nuclear LLC

R.A. Anderson
President & CNO



PSEG

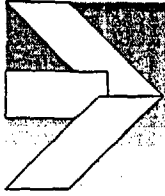
Energy Resources and Trade



NRC's January 28, 2004 Letter

No Serious Safety Violations Identified, But:

- Concerned About Station Work Environment
- Concerned About Impact of Previously Unresolved Conflict
- Need for PSEG to Assess the Station Work Environment
- Take Steps to Assure Workforce Participates



Chartered Independent Team

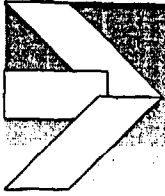
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Scope

- Comprehensive
- Initial Focus
 - Operational Decision-Making
 - Previously Unresolved Conflicts
 - Problem Identification and Resolution

Objective to Assess

- Work Environment
- Sufficiency of Management's Initiatives to Assess
- Sufficiency of Management Efforts to Improve
- Impact of Corporate-site Interface



Chartered Independent Team

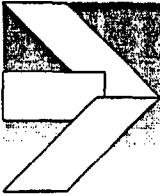
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Team Composition

- Will Assure Independent, Thorough Review

Schedule

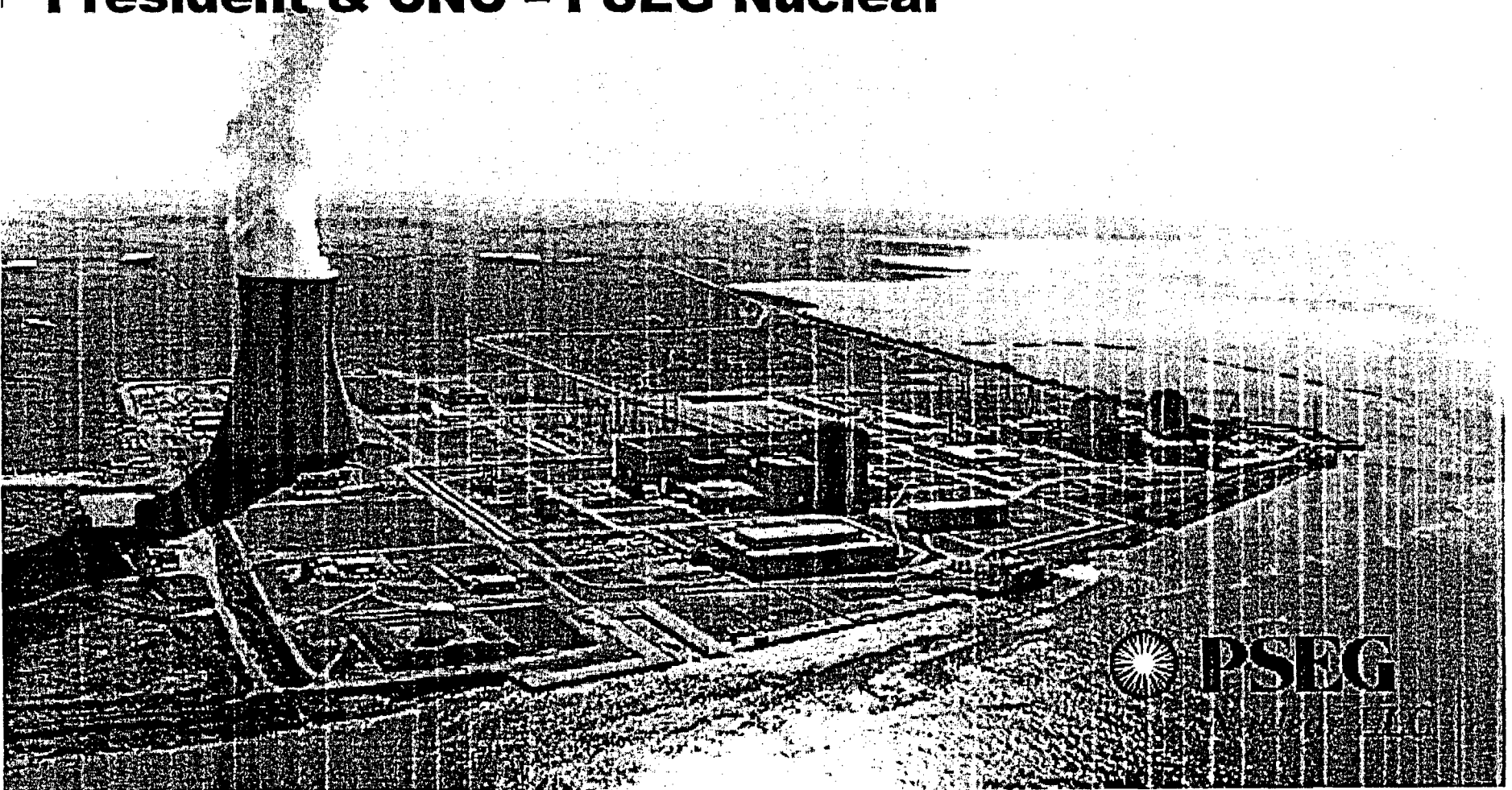
- Management Briefing and Recommendations in April



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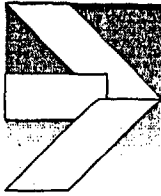
Roy Anderson

President & CNO – PSEG Nuclear



PSEG

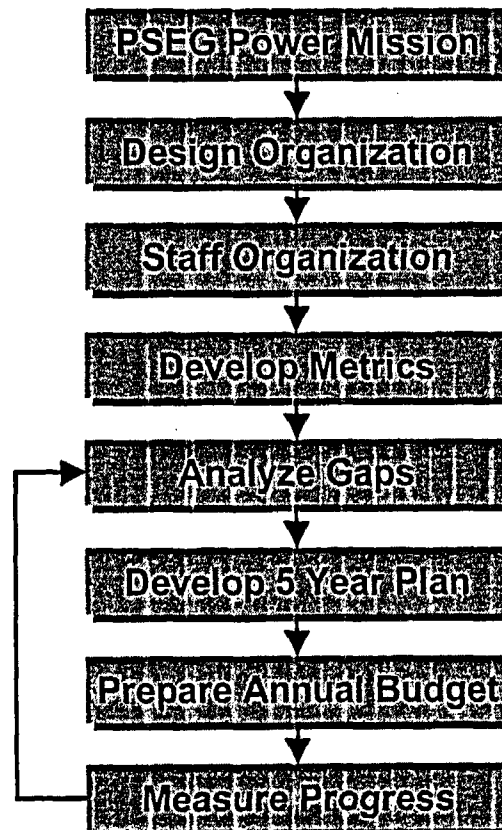
LLC

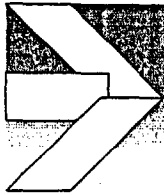


2003 Initiated Fundamental Change Designed to Assure Safe Reliable Operation

Accomplishments

- Capital Increase
- Capital Shift
- Succession Plan
- Metrics with Line of Sight
- Performance Management
- Unitization for Focus
- System Engineers





PSEG Nuclear Mission

PSEG NUCLEAR LLC

Safe & Environmentally Sound

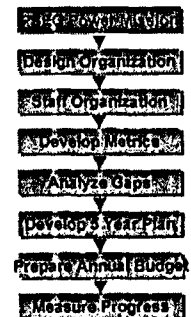
Required for

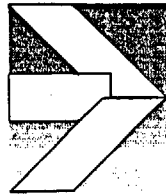
Reliable Performance

Resulting in

Economic Operation

**Protecting the Health and Safety of the
Public Is the Basis for the License**





Organization Leadership

Sr. Manager

Responsibility

Chris Bakken

Overall Operations & Support

Mike Brothers

Safe Operation

Dave Garchow

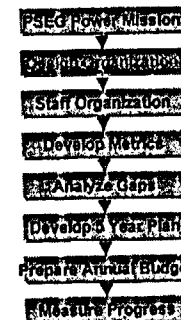
Design Basis

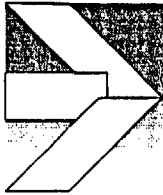
John Carlin

Assessment

Wade Sperry

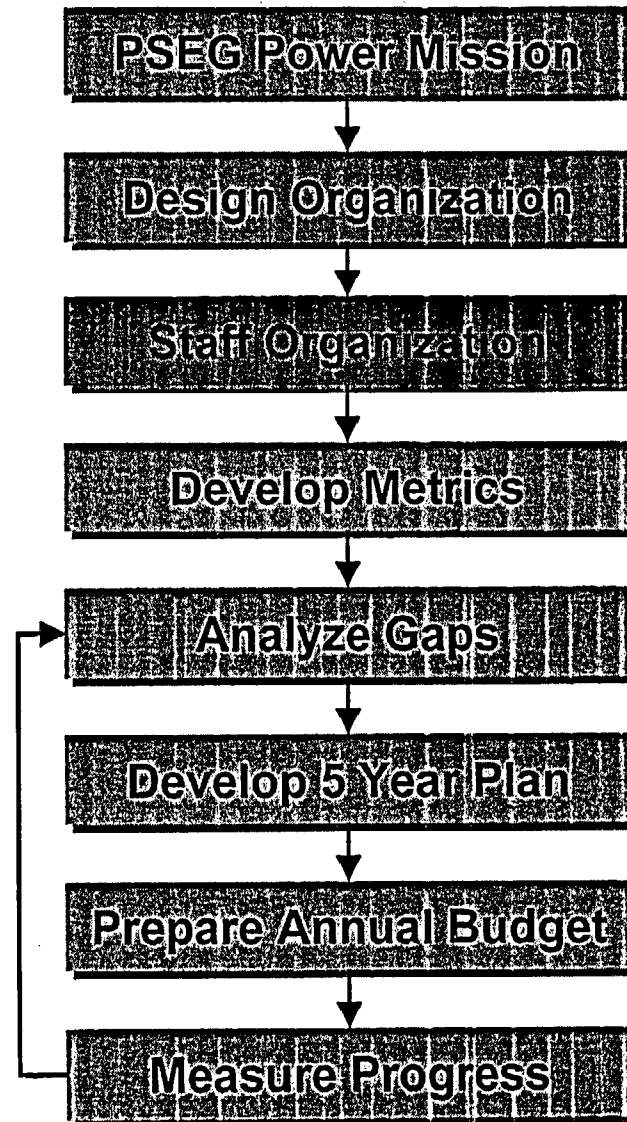
Business

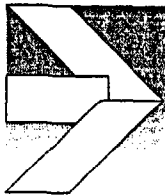




Plan for Change

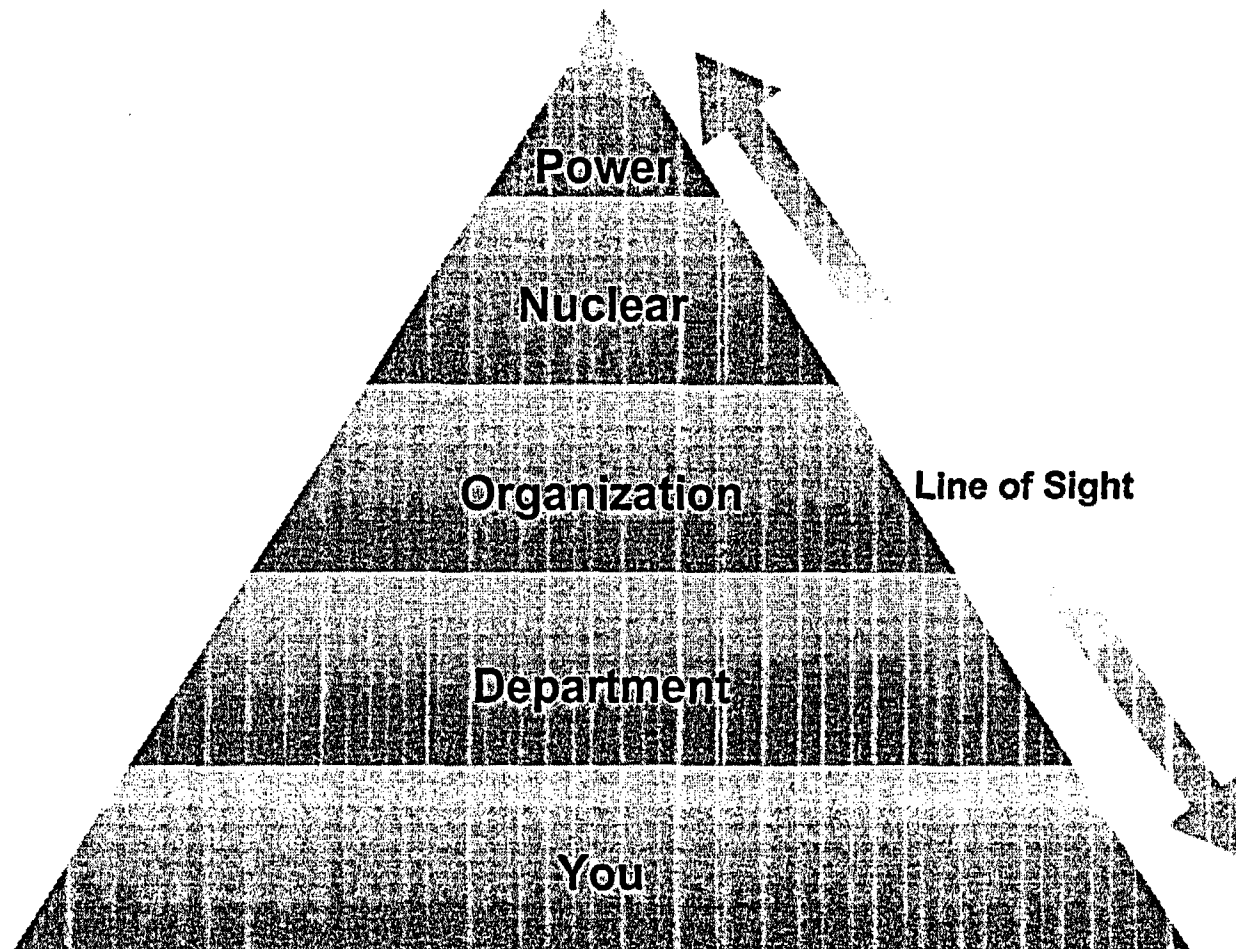
PSEG NUCLEAR LLC



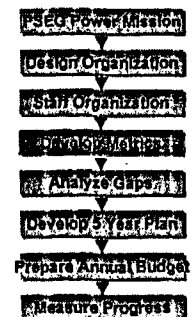


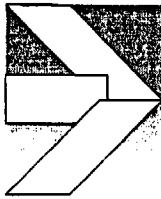
Line of Sight

PSEG NUCLEAR LLC



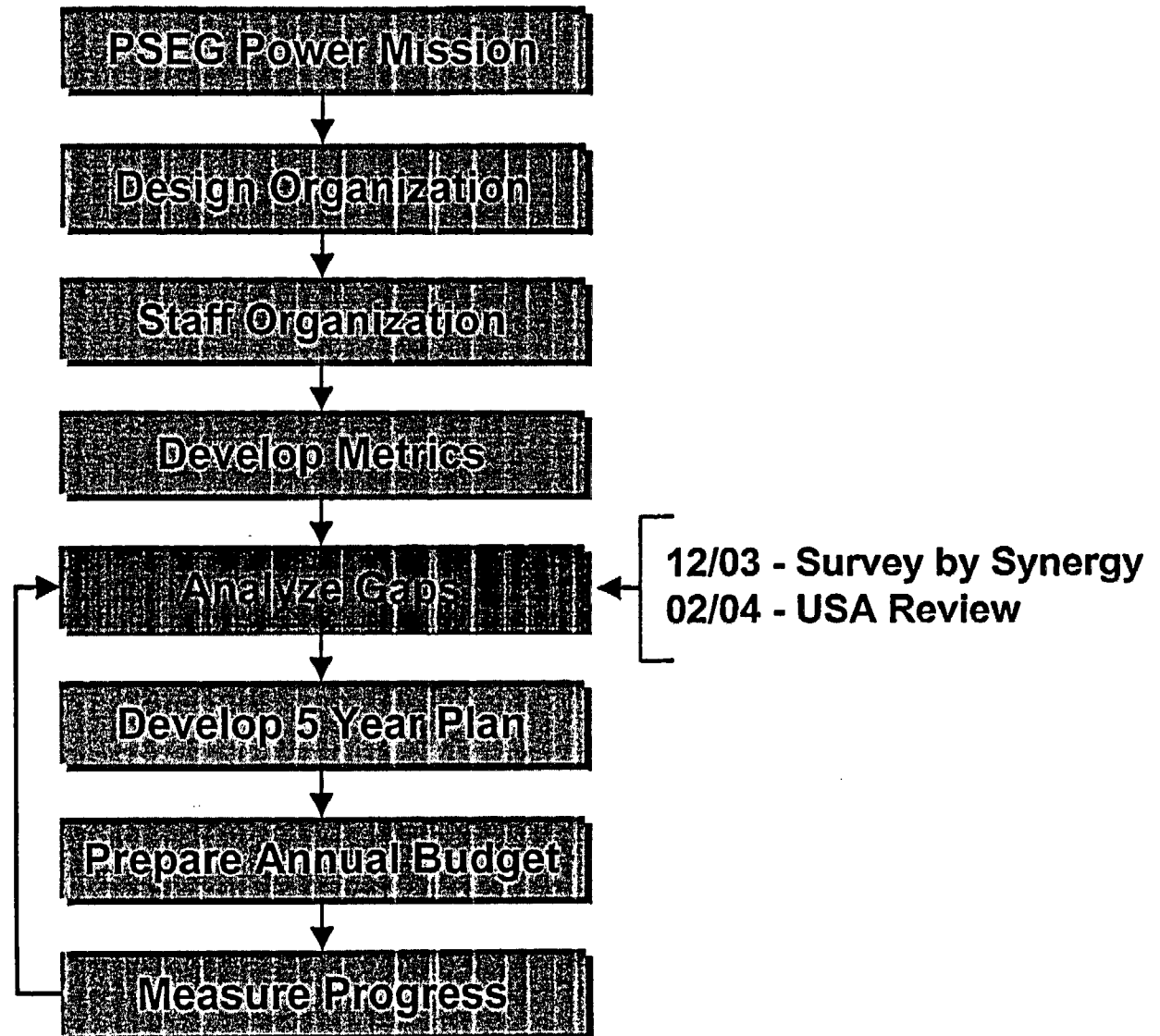
You Should Always Know Where You Fit In

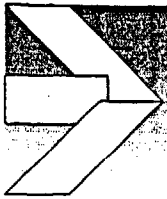




Plan for Change

PSEG NUCLEAR LLC





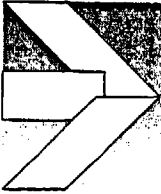
Increased Urgency for Action

Plant Equipment

Corrective Action Program

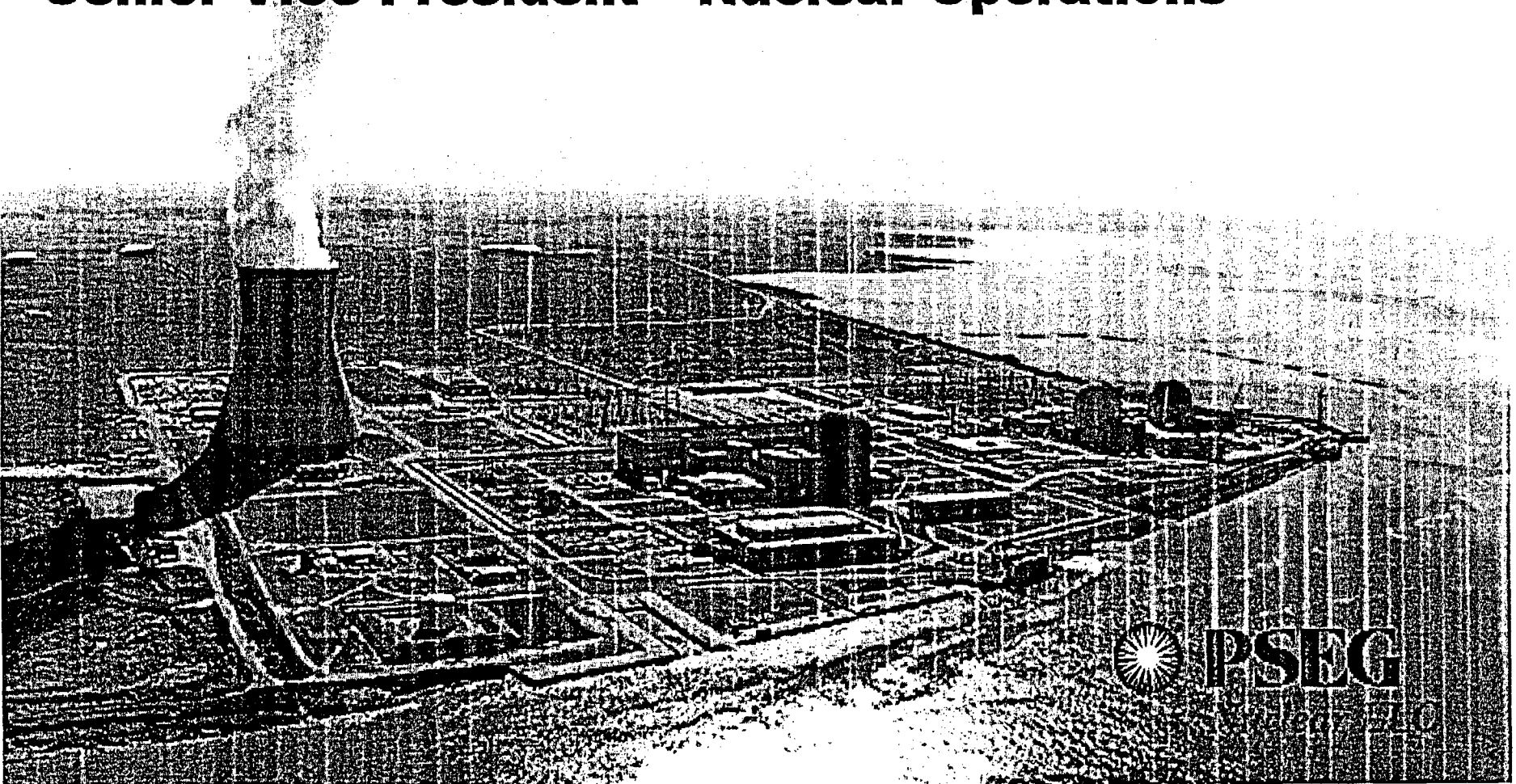
Work Management

Communication



Chris Bakken

Senior Vice President – Nuclear Operations



PSEG