

BRITISH NUCLEAR GROUP

HINKLEY POINT A SITE

STAKEHOLDER GROUP MEETING

FRIDAY 10 MARCH 2006

SITE MANAGER'S REPORT FOR THE PERIOD

8 OCTOBER 2005 – 24 FEBRUARY 2006

1. Decommissioning Hinkley Point A

Preparations in the Radioactive Waste Store area have continued with the removal of as much spoil as could be safely stored around the site. The lease and deemed consent for using B station ground for temporary storage of spoil has not yet been concluded and we have had to continue to investigate alternatives. We have applied to the planning authority to take spoil off site for reuse/disposal elsewhere. Due to a combination of planning meeting dates and a minor clarification requested by the Environment Agency the final hearing for this application cannot be heard until March. Whilst there has been significant progress on the lease and deemed consent, and we are encouraged that it will be forthcoming this financial year, we are forced to pursue the possibility of offsite disposal. Other works completed in the period were the demolition of the old towns water reservoir and the creation of a haul road to both export spoil and import the construction materials. Design works for the store and equipment, being carried out off site nears completion.

Further work has been carried out to remove equipment from the cooling water inlet arrangements and a further campaign of back filling 'below ground voids' with site building waste and spoil is in progress. Preparations for the de-planting and in fill of the cooling water pump house has begun.

Thermal insulation (asbestos & man made mineral fibres - MMMF) removal has continued within the Reactor Controlled Area. Stripping of all the main areas of insulation has now been completed in Reactor 1. Work is ongoing erecting the stripping enclosures in Reactor 2 for boilers 7, 8 & 9, the associated pipe-work and top gas ducts 10,11 & 12.

Whilst the vast majority of the insulation from Reactor 1 was disposed of to conventional licensed disposal sites, 2,787 drums of tritium contaminated insulation have been super compacted and sent to the Low Level Waste Repository near Drigg in Cumbria. This insulation was recovered from the CO2 gas ducts. The contamination levels encountered were only slightly higher than the limits that would require regulatory control.

The contract to de-plant and demolish the turbine hall has been awarded to contract company Brown & Mason. The teams are working on preparing the area for de-planting and the removal of the main generator transformers. Electrical isolation, disconnection and de-cabing work of the transformers is already well underway. The demolition of what was Europe's largest turbine hall will have a huge visual impact on the site leaving a large 'well' in it's place. The project is currently around a year ahead of schedule. The site hopes to receive income from the scrap metal removed from the turbine hall.

The installation of a new liquid effluent discharge line is now complete with the exception of a small pH control package, which is in progress. Commissioning is expected before the end of this financial year provided the necessary authorisations can be achieved from the Environment Agency (EA) and the Crown Estate.

Due to the greatly increased number of workers requiring to work inside the Reactor Controlled Area (RCA) it has been necessary to reconfigure the access/egress arrangements to improve throughput. This work has been successfully completed and the project is being closed out.

We have been evaluating alternatives for the re-mediation of an area of ground that was contaminated with diesel. A preferred solution has been established and a report is about to be submitted to the Environment Agency (EA) for agreement. We have also conducted two programs of ground water sampling and monitoring, the first programs results indicated nothing untoward and we are awaiting results from the second program.

Pond operations work including defuelling verification was temporarily suspended for 11 weeks to assess the pond water treatment plant operations and maximise its efficiency for removing particulate prior to sea discharge.. This assessment has now been completed and pond operations has resumed. It is anticipated that defuelling verification will be completed by July.

At the last meeting we reported that the electrical overlay system project had received NDA approval to accelerate the removal of the station batteries used during plant operation followed by the demolishing of the battery house. This project was completed in October 2005, three years ahead of the original schedule.

We have previously reported how innovative engineering had resulted in identifying the re-use of an obsolete building for low level waste handling and packaging. De-cabling, de-planting and demolition of the internal structure of the existing building has been completed and construction work of the new facility is well underway. Hand over of the building and final documentation is expected by the end of March 2006. The building will provide a waste management facility capable of processing up to 50 half height ISO containers of low level waste per year.

Environmental and waste management is very important during the decommissioning of the site. We recently appointed a waste manager – Alan Ball - to the lead team and in December held a 4 day 'Integrated waste strategy' and 'Best Practical Environmental Options' workshop at Hinkley Point. Site staff and representatives from external bodies including the Site Stakeholders Group Chairman participated in the workshop.

The output of the workshop will form part of the site integrated waste strategy which addresses the management of all forms of waste, both radioactive and non radioactive, and of material that may become waste in the future. It includes what is disposed of to the environment, what requires to be stored and treated, as well as covering waste creation and its avoidance and minimisation.

2. General

The NII (Nuclear Installations Inspectorate) witnessed a successful evening exercise in October 2005. The purpose of the exercise was to demonstrate our decommissioning emergency scheme arrangements.

In October 2005, the site took part in European Health & Safety Week. This year's main topics were noise in the workplace, road safety, working at height, electrical safety, heavy plant and hazard identification. Children of site personnel were invited to enter a 'Safety Poster' competition and twelve of the winning designs were turned into a safety calendar for 2006. The prize for the overall winner of the competition was a personal computer.

The site has been recognised once again for its compliance to the international environmental management standard ISO 14001. Originally awarded to the site in 1996, the certification acknowledges organisations that have appropriate systems in place for monitoring and managing their impact on the environment.

The site has seen a number of senior management (lead team) changes since the last SSG meeting. Mark Steele recently took up the role of deputy site manager to directly support Mark Lesinski. Until recently, Mark was site manager at Berkeley and has been with the company for 12 years. Roy Crawford took over Mark Lesinski's previous role as one of the Four Horsemen leading the decommissioning projects. Roy's qualifications and experience are extensive, having spent 25 years overseas managing various civil and mechanical engineering projects for some of the biggest marine and pipeline companies in the world, and ten years in the UK holding senior positions as part of the Channel Tunnel construction project. Howard Druckman has a similar background to Roy with particular experience in radiological issues and waste handling and has also taken up one of the Four Horsemen positions. Cathal Langan has taken on another of the Four Horsemen roles and has 35 years of project delivery experience, moving to the site from Dounreay where he project managed safety and environmental work. Darren Newman has taken over the role of Programme Controls Manager from Stan Rae. Stan will be supporting Ken Powers in the Southern Bundle team. The final addition to the lead team is Alan Ball who has recently been appointed as Waste Manager. Alan has been in the industry for 35 years – 28 of them at Hinkley. Alan was previously head of day production but has carried out a number of roles on the site.

On 5th January the site hosted a winter celebration party at Sand Bay holiday village, Weston Super Mare. The site has undergone a lot of change recently and also accelerated a number of projects. This was a way of thanking the staff and contractors for all their hard work and support. A raffle was held during the evening and over £3,700 was raised for local charities, BIBIC and See Ability. Some members of the SSG also attended the party.

The site has gone 136 days without a Lost time Accident (LTA)

3. Company matters

On 6th February 2006, BNFL and Toshiba Corporation signed a \$5.4bn purchase and sale agreement for the sale of Westinghouse. The signing of the contract took place in a ceremony at the Dorchester Hotel between BNFL Chief Executive, Mike Parker and Toshiba Corporation President and Chief Executive Officer, Atsutoshi Nishida. U.S.-based Westinghouse is headquartered in Monroeville, Pennsylvania. Toshiba has made clear that it believes the leadership and employees of Westinghouse are a key business asset and intends continue to rely on them into the future. The Springfields site at Preston is an integral part of the Westinghouse business in the UK.

On 3rd February 2006, BNFL announced that it had signed a definitive agreement to sell its U.S. nuclear clean-up company BNG America to EnergySolutions. The sale also includes BNG America's wholly owned subsidiaries Manufacturing Sciences Corporation and BNG Fuel Solutions.

EnergySolutions is headquartered in Salt Lake City, Utah and is owned by a private investor group led by Lindsay Goldberg & Bessemer (LGB), a New York-based investment partnership that invests primarily in privately held businesses. The purchase of BNG America by EnergySolutions is part of a larger transaction involving the combination of three leading U.S. nuclear waste management companies - BNG America, Envirocare of Utah, and Scientech D&D. The BNG America sale is expected to be finalised in the next few weeks.

New Year celebrations started early for staff at Bradwell, when they removed the last fuel element from Reactor Two on Friday 30 December at 1.07am. The defuelling of the reactor was achieved 92 days ahead of programme and follows on from the completion of Reactor One defuelling in September, 26 days ahead of schedule.

4. Community Relations

Representatives from the site attended a meeting of the Exmoor Business Club in November 2005. Ken Powers gave an update on the decommissioning process and explained about some of the projects the site is undertaking and how we've dealt with some of the problems that have arisen. The presentation was given at the request of local MP, Ian Liddell Grainger.

In December 2005, members of the radioactive waste store team attended Cannington Parish Council's monthly meeting to inform the local community about a contingency plan if the B Station land issues for storing spoil cannot be resolved. The chairman of the council thanked members of the team for going along and for keeping the community informed of site plans.

Following on from successful contacts made through the Taunton Chamber of Trade, and the North Petherton Business Breakfast, an industry up-date and decommissioning presentation was given to 20 members of the South West Region of the Royal Institute of Chartered Surveyors at The Holiday Inn Express, Taunton. Tim Watkins, Operations Manager gave the presentation supported by Maggie Poole & Joanne Hellier from the communications team. The presentation was followed by a lengthy question & answer session.

Members of the communications team recently attended a careers evening at Bridgwater College. Information about the decommissioning process and the current projects being undertaken was available and we were able to highlight future career opportunities at the site. Hinkley A Site intends to introduce a new apprenticeship and graduate training scheme as part of its Socio-economic plan, this visit to the college was the first step in publicising the scheme.

Over 1,400 entries were received again last year for the annual Site Christmas Card Competition. Seven independent judges were given the difficult task of choosing the winning designs in each category but eventually made their choices. The overall winner was Daniel Carter, aged 17, Penrose Special School. Second prize was awarded to Marie Gibbs, age 10, Kingsmoor Primary School, Bawdrip and third prize went to Elliot Scott, age 7, Knights Templar School, Watchet. All three winning designs were used to produce the site's Christmas cards for 2005.

During December, site personnel contributed suitable items for inclusion in Christmas hampers. The hampers were made up and delivered to several local primary schools for them to raffle off to raise funds for the schools. All the schools thanked us for our donations with Otterhampton school reporting that they had raised £400 from ticket sales.

Members of the communication team recently had a tour of BIBIC (British Institute for Brain Injured Children) BIBIC is a local charity which helps children and their families who suffer from various types of brain injury or brain related disorders and relies entirely on donations to

exist. The charity is particularly proactive within the local community and is keen to work in partnership with local businesses. The site will be donating 50% of the money raised from the winter celebration party to BIBIC and is considering making them Hinkley Point A's charity of the year in 2006/07 for major fund raising events.

The communications team continue to work with our 13 partnership schools and have visited most of them during the last few months. Eastover school recently entered into the SETNET Robotics challenge at Bath University. As part of their challenge they had to do a project on the environment. They chose to do a project on sea life close to the power stations. We arranged and funded a visit for them to talk to local fisherman, Brendan Sellick. The school presented their findings in the form of a collage at the robotics challenge and won themselves third prize in their category. We also helped students from Edington & Shapwick out by taking part in an interview evening for students to gain experience before leaving school.

Sponsorship

The site recently supported a non-handicap golf tournament at Cannington Countryside Pitch & Putt centre. As well as supplying the prizes for the competition, we also had a stand where information was on hand about the work involved in decommissioning the site. Science props were also available for the children. Members of the lead team took part in the tournament and were on hand to present prizes to the winners.

We have supported Somerset Ornithological Society for the fourth year running to produce their annual bird report.

Other groups that have received support from us since the last meeting include:

Watchet Dynamos Kayak Club	4 th Wembdon Brownies
Wells Cathedral Choir Trust	Huish Episcopy School
St Mary's Church Restoration Project	Bridgwater Schools Football Association
Westover Play Group	Over Stowey Village Hall
St Joseph's School	Otterhampton Primary School
Westover Green Community School	West Quantoxhead Village Hall

5. Nuclear Decommissioning Authority (NDA)

As you all know, the NDA published their first draft strategy last year which went out for public consultation. The consultation period ended on 11 November 2005. On 15 December 2005, the Board of the Nuclear Decommissioning Authority (NDA) endorsed a proposed Strategy to be submitted to the Secretary of State for Trade and Industry and the Scottish Ministers for their consideration.

The industry is now waiting for Government approval of the strategy, this is expected by 31st March 2006. For more information about the strategy, visit www.nda.gov.uk.