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Report on Oldbury activities to SSG **January 2011**

Safety

I am pleased to report that there have been no lost time accidents since the last SSG meeting in October. This now means that the site has achieved over a year without a lost time accident. Oldbury is rightly very proud of its safety record and this is something we will work hard to maintain and build on for the rest of the financial year and beyond.

The site also hosted the recent WANO (World Association of Nuclear Operators) 9th annual Human Performance conference, which aimed to exchange international views and experiences of using Human Performance programmes to increase safe behaviour. The conference was attended by industry leaders and invited speakers who are acknowledged Human Performance experts from as far afield as the USA, Mexico and Europe.



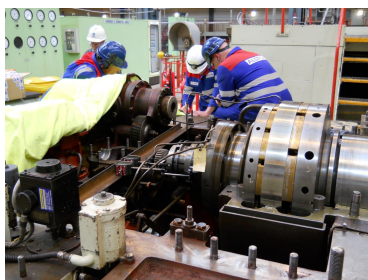
Current Generation

I am very pleased to report that Oldbury's two reactors are currently generating 436MW which is the highest figure for some years, and largely due to our planned programme of refuelling undertaken during 2010. This is equivalent to enough electricity to power areas the size of Bristol and Bath combined.

The planned graphite outage on Reactor Two that started on 3rd September 2010 went according to plan, and was completed in just over 40 days – just ahead of the site's planned 'best endeavours' target. The main work undertaken during the period was graphite inspections, including trepanning a

number of samples to send off for analysis and the visual inspection of a number of graphite channels to support the graphite safety case, and our bid to operate of Reactor Two until the end of June 2011.

However, a fault on gas circulator 5 meant the reactor suffered an unplanned trip from full power on 11th November. The reactor was automatically and safely shutdown and 54 days of work, including inspecting a further 135 channels in the reactor core, was carried out successfully allowing Reactor Two to return to service on 4th January. Sadly this event was followed by a further unplanned trip during routine testing work on 8th January. Events such as this are to be expected after any outage period but at Oldbury have been infrequent in recent years. Reactor Two was synchronised with the National Grid in the early hours of 13th January and continues to operate normally alongside Reactor One.



Continued Generation

Following the outages on Reactor Two, we are able to operate the unit until mid-February 2011 under the current safety case. The site is actively working on securing approval to extend its life beyond this date, and following work carried out during the graphite outage we have agreed a plan of additional testing work with the NII to progress this aim.

Following discussions with the Nuclear Safety Committee, we are progressing technical work needed to extend the life of Reactor One, as well as the completion of three fuel safety case papers which are due to be presented to the committee during the next two months.

The NII continue to support the opportunity for extended generation at Oldbury, and several meetings with them have taken place on this topic since the last SSG meeting. The NII are continuing to assess our proposals and our commitment to undertake further work on site is being actively pursued.

Reintegration of Magnox North and South

As we reported at the last SSG meeting, plans to progress the reintegration of Magnox North and South into a single Site License Company (SLC) continue. The legal integration of the two companies has been completed, and we are now progressing a restructuring of the business to better reflect the priorities

and challenges that we face. We expect the new company to be fully operational on, or before, 1 April 2011.

Key focus areas remain the defuelling of sites in line with the Magnox Operating Plan, optimising the remaining generating lives of Oldbury and Wylfa and the introduction of innovation and programmisation across our decommissioning sites, including the demonstration of early hazard reduction at both Bradwell and Trawsfynydd. Of course, all this work remains subject to the availability of funds and appropriate NDA and regulatory approval.

We believe that moving to a single SLC will support a drive to reduce overhead costs, optimise the value we bring to the taxpayer, maximise the opportunities of working in 'one way' and better reflect the NDA competition strategy.

New build interactions

As you may have read in the media, Oldbury recently hosted a visit from Charles Hendry, the Minister for Energy. He visited Oldbury to gain a better understanding of the proposed new build site and as well as meeting with Oldbury staff, also had the opportunity to meet with representatives from Horizon to discuss their plans.



Horizon are currently undertaking a range of studies in support of their planning application for new build which is expected to be submitted in 2014. We continue to liaise with them to provide support and access to land where needed, to allow them to progress their studies effectively and efficiently, and are currently progressing the delicensing of a significant portion of land at the rear of the current station to allow it to be transferred to Horizon.

Community Involvement

It has been pleasing to see Oldbury continue to support local schools recently. We have worked with art students at Castle School in Thornbury to put together a site calendar for 2011 on the theme of 'Inspired by nature' and have also produced a new children's leaflet for our popular nature trail, both of which will hopefully inspire a new generation interested in the world around us.

The site has also continued to support education programmes in local schools through our involvement in STEMnet (Science, Technology, Engineering and Mathematics) schemes which support the national curriculum, and through the Education Business Partnership, which sees representatives from local businesses working with pupils on a range of activities - recently including a Dragon's Den enterprise day and mock interviews to prepare older students to enter work or further education.