

CR Report 2007

Reactor Sites



Mark Morant, Managing Director, Reactor Sites Management Company

It has been another year of tremendous change for Reactor Sites. The business was established as Reactor Sites Management Company (RSMC) on 1 April 2007. On 26 June 2007 BNFL announced that it had concluded the sale of the entire share capital in RSMC to US company EnergySolutions.

In parallel, RSMC subsidiary Magnox Electric continues towards its division into Magnox North and Magnox South Site Licence Companies to meet the needs of the NDA's competition schedule.

During the process to sell RSMC it was crucial to ensure a good home for the workforce, whose care had been a theme at all times. Key to successful change as we move towards decommissioning from electricity generation is the development of an appropriate staff structure. To this end we worked with the unions and the workforce to develop a new Company Employee Agreement which focuses on, and rewards, re-skilling and retraining.

Throughout the period of change we maintained our focus on safety. One of the tools we make use of is behavioural safety observation. For example, each of the Magnox North sites achieved more than 1,000 safety observations during the year. I am delighted with this performance and we are now seeing the benefits as many sites achieve excellent accident-free periods.

Operationally, a good year saw us beating our electricity generation targets. At the end of 2006 we ceased generating at Dungeness A and Sizewell A. Both stations fulfilled a vital role in providing electricity for south east England and I take pride in their operational and safety records over their 40-year lives.

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To maintain this level of performance we will need a continuing supply of workers skilled in decommissioning. As well as re-skilling our own workforce we will continue to work hard with our supply chain to address the issue, as well as engaging the unions and some of our local communities to develop external training schemes aimed at supporting the business and the longer term wellbeing of our communities.

The Nuclear Decommissioning Authority's aspiration for the safe, accelerated decommissioning of our nuclear reactor sites will produce business, employment and socio-economic opportunities for relevant stakeholders. I believe we have made a solid start in helping to realise these opportunities and I am personally committed to ensuring that we have the right policies in place to ensure that this continues.

Who we are and what we do

Up to 31 March 2007 Reactor Sites was part of British Nuclear Group. As part of an industry restructuring announced by the Secretary of State for Trade and Industry in October 2006 BNFL announced that the business would be sold. In June 2007 the sale of the entire share capital of RSMC to EnergySolutions was concluded.

Magnox North and Magnox South, two standalone Site Licence Companies, are being established to meet the needs of the NDA schedule for competing contracts to manage and operate some UK nuclear sites.

Reactor Sites manages and operates the 10 UK Magnox reactor sites on behalf of their owner, the NDA. There are two nuclear power stations (Oldbury and Wylfa) that continue to generate electricity, three sites that are about to commence defuelling and five sites that are at various stages of decommissioning. The business also operates the Maentwrog hydroelectric power station in Wales.



Economic performance

During the year Reactor Sites generated net NDA fees of £34 million. The current year's fees include efficiency savings of £15m.

Quality

Against a background of change the company has continued to strive for excellence in all areas of performance.

All our sites maintained, or were re-certified to, ISO14001:2004 while all except four sites maintained, or were certified to, the quality standard ISO9001:2000. The remaining sites are working towards certification in 2007.

Specific achievements included reducing the volume of documents at Trawsfynydd and the preparation of a Quality Management System for defuelling and decommissioning at Dungeness.

Supply chain management

Reactor Sites spent around £316m with the supply chain during 2006/07, mainly on behalf of the NDA. This focuses the business on its need to work closely with suppliers to extract best value for the customer and, ultimately, the UK taxpayer. Local economies also benefit from a strong supply chain through employment and direct spend. Some sites held supplier forums to forge better links between buyer and supplier.

Environment, health and safety performance

Delivering regulatory compliance

Safe and environmentally responsible contract delivery continues to be our prime focus. Performance against a set of challenging targets is subject to regular high level monitoring.

During the year we produced 11.6 TWh of electricity from the stations we operate, including around 70 GWh from the small hydroelectric station at Maentwrog which exceeded its target by around 40%.

We made significant progress in hazard reduction as Bradwell was certified free of nuclear fuel while Wylfa achieved a major milestone with most of its spent fuel emptied from the secondary Dry Store Cells (only a small amount of damaged fuel remained).

For its performance during defuelling operations Bradwell was awarded the 2006 NUMEX trophy by the Nuclear Maintenance Experience Exchange for excellence in nuclear maintenance.

Key performance indicators

The following table shows our performance in a number of important areas. We have improving trends in DACR, INES events and environmental non-compliances. However, we will need to increase downward pressure on significant dangerous occurrences (non-nuclear) in order to set them in the same trend.

Measure	Target 2006/07	Actual 2006/07	Improving trend?*
Days Away Case Rate	0.20	0.18	Yes
Significant dangerous occurrences (non-nuclear)	4	5	No
Number of INES events at level 1 or above	6	4	Yes
Category 1,2,3 & 4 environmental non-compliances	6	8	Yes

* Improving trend over the last three years

- In January 2007, despite our commitment to safety excellence, Sizewell A suffered a sudden pipe failure that released around 40,000 gallons of pond cooling water. Nobody was hurt, the affected plant was quickly isolated and the leak swiftly brought under control. Only trace levels of radioactive material were detected. Some 30,000 gallons of water were recovered during the clean-up operation. The rest of the water entered the site's storm drains - an approved route for minor discharges. An internal inquiry was launched to establish the facts and ensure that lessons were learned.
- Significant disruption at Chapelcross in extreme winter weather in 2006/07 followed the dislodging of significant quantities of asbestos lagging from the heat exchangers. An area entirely within the site boundary was cordoned off and access controls put in place to ensure that staff were fully protected during the clean-up operation.



Managing the environment

Nuclear sites are generally situated in relatively remote areas. With land relatively undisturbed many sites feature diverse habitats, from the shingle of Dungeness and Sizewell to the estuaries at Hinkley Point and Oldbury and the rocky coastal terrain of Wylfa on Anglesey. We endeavoured to develop these features as educational resources for the local community. At Oldbury, for example, two nature trails, complete with information boards, leaflets and route maps, are maintained by the site.

Health and safety

Another good safety performance saw us recording a Days Away Case Rate of 0.18 to keep us on an improving trend. Hunterston A continued its excellent accident-free run reaching 67 months without a lost time accident by the end of March 2007.

Although we did not hit our target for reducing average sickness days per employee (out-turn 5.41 days against a target of 5.25) the trend is improving. A number of sites have encouraged staff to take part in specific health-related events. For example, the Oldbury occupational health department ran a one-day drop-in health promotion event offering advice on issues such as diet, exercise and stopping smoking. Safety improvements at Hinkley Point involved putting a number of people through additional driver training courses.

RoSPA Safety Awards 2007

President's Awards:

Berkeley, Hinkley Point A and Sizewell A

Gold Medal Awards:

Bradwell, Chapelcross, Oldbury, Trawsfynydd and Wylfa

Gold Awards:

Hunterston A and Dungeness A



Social performance

Employees

The NDA has challenged the business to accelerate site decommissioning. As a result the company, working with the Trades Unions, produced a new Company Employee Agreement that offered more effective reward and development opportunities to help meet the challenge.

Career development

The company is working to retain and develop the skills required for both generation and decommissioning programmes. Under the new Employee Agreement we are committed to regular consultation on people's aspirations. A Career Development Scheme will be launched to help realise employee potential and ensure the company has an adequate supply of the skills needed for decommissioning.

The company has re-started apprentice training at sites such as Hinkley Point A which took on its first new apprentices for ten years.

Communities

Together with Site Stakeholder Groups we have managed an extensive community engagement programme to help determine the preferred end-state for each of the sites.

Wylfa hosted a public meeting for local residents in March to explain changes to the off-site emergency arrangements and distribute potassium iodate tablets to the residents within the Detailed Emergency Planning Zone. In the planning stages of these changes the site has worked with North Wales Police, Cyngor Sir Ynys Mon Local Authority, Anglesey Health Board, Wales Ambulance Trust and the National Public Health Service.

Community investment

The company manages a significant quantity of socio-economic funding on behalf of the NDA. One beneficiary, West Kilbride, was voted the most enterprising place in Scotland, winning top prize in the Scottish heat of the Department of Trade and Industry's Enterprising Britain 2006 competition.

Working with schools

We have a long history of involvement with local schools. In September 2006 Chapelcross was awarded the Business Champion Award for many years working with Dumfries and Galloway Council and their enterprise in education programme.

£50k

Reactor Sites
pledged £50,000
to Marling
School in Stroud
to support a bid
for specialist
college status

Case studies

Finding solutions for LLW disposal during decommissioning

UK Government policy on the long-term management of solid LLW encourages innovative disposal methods. In 2006 the Government published documentation calling for consultation before looking at disposal options, particularly with local communities and local authorities which may be affected.

We initiated option studies into how best to dispose of the LLW which will be generated during the first phase of site decommissioning. We set up stakeholder workshops for external organisations to find out about the issues, influence disposal options and raise and rank issues to be taken into account in any decision. Ten workshops have been attended by organisations including the relevant Site Stakeholder Group, the local District and County Councils, the Environment Agency, Natural England, British Energy, NuLeAF and the NDA. Positive feedback included comments such as "Consistently excellent throughout, look forward to any future involvement".

Support for education

Reactor Sites pledged £50,000 to Marling School in Stroud in support of its bid to become a specialist engineering college. Achieving specialist schools status unlocks extra Government investment enabling Marling School to put engineering at the core of its curriculum. If accepted by the Specialist Schools Trust it will be the only school in the area to achieve this status, allowing it to form strategic relationships with other schools, colleges and universities in the UK, as well as forging strong links with local, national and international industry.



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