



BMI COMMUNICATIONS

2004 Pacific Basin Nuclear Conference

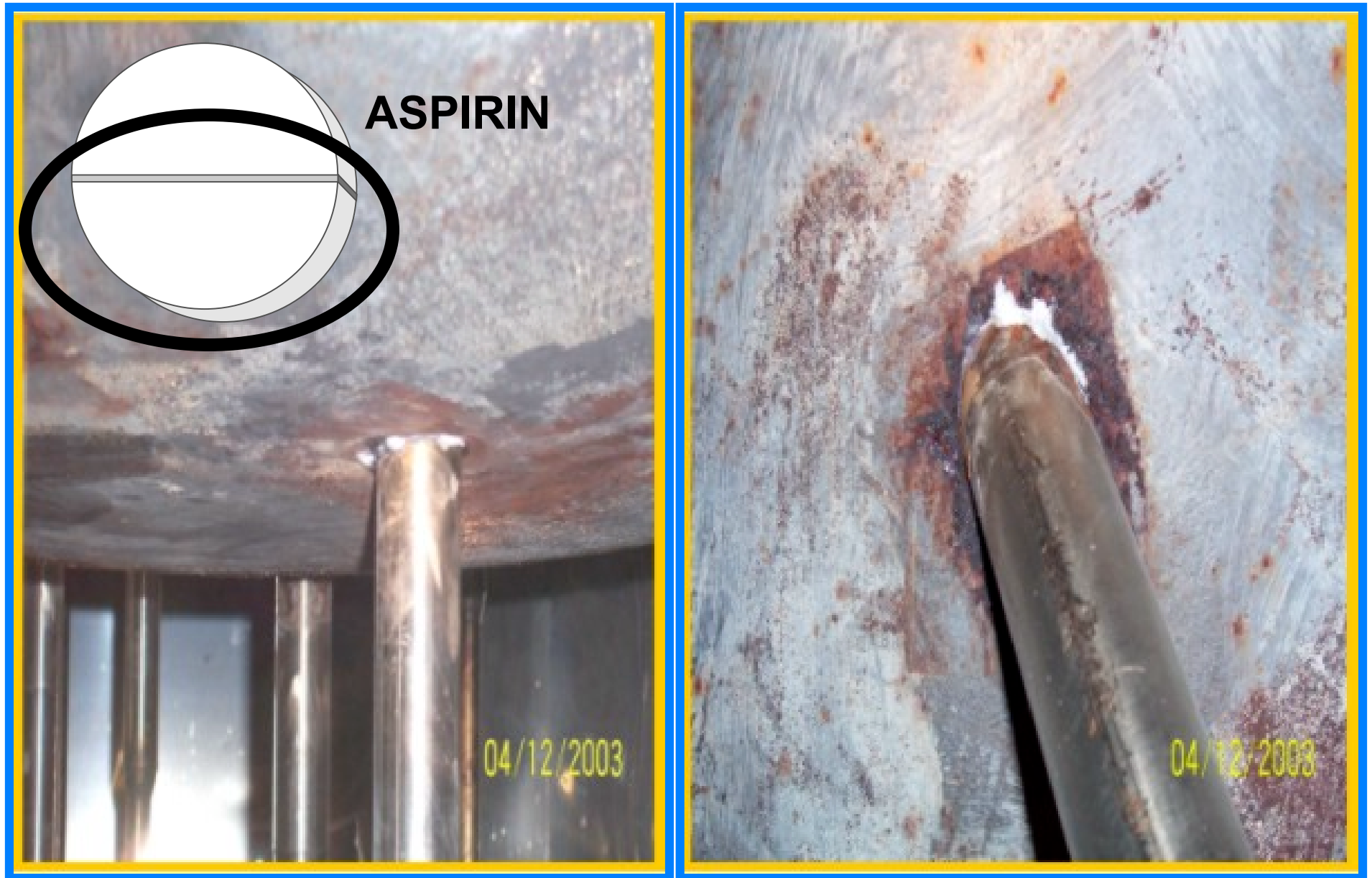
STP Nuclear Operating Company
Presenters: Mike Meier
Ed Halpin

March 2004

7 Days in April

- From discovery of residue to the first press release
- Only felt like a month

Putting it in Perspective



BMI Timeline - First 7 Days

Sat. April 12, 2003

Residue discovered

Sun. April 13

- Possibly boric acid
- NRC notified

Mon. April 14

Nucleonics Week calls

Tue. April 15

CEO directs Communications planning

Wed. April 16

- Second round of tests confirms finding
- NRC asks CEO to discuss at conference
- Contacted local officials
- Press Release drafted
- Communications Strat Plan developed

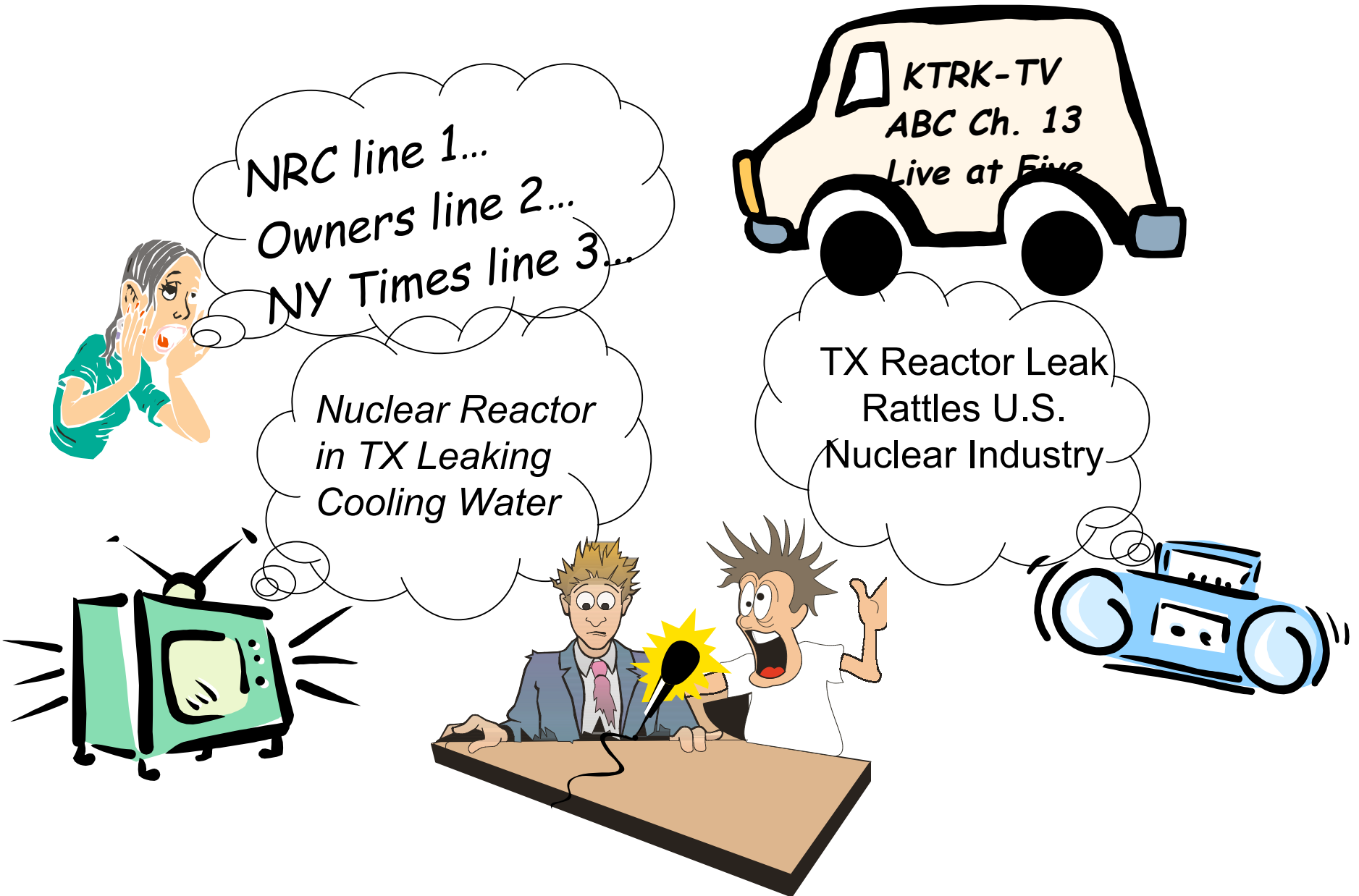
Thu. April 17

- NRC and owner telecons
- Cleveland Plain Dealer article
- Planning continues

Fri. April 18

- N.Y. Times calls
- Owners approve distribution of news release
- Barrage of media calls
- Plant GM media interviews

The Pressure Cooker



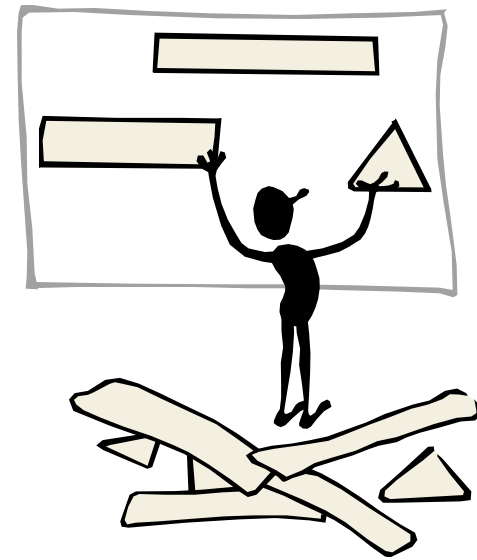
**Where
are WE?**

**How do we
get there?**

**Where
do we
need to
be?**

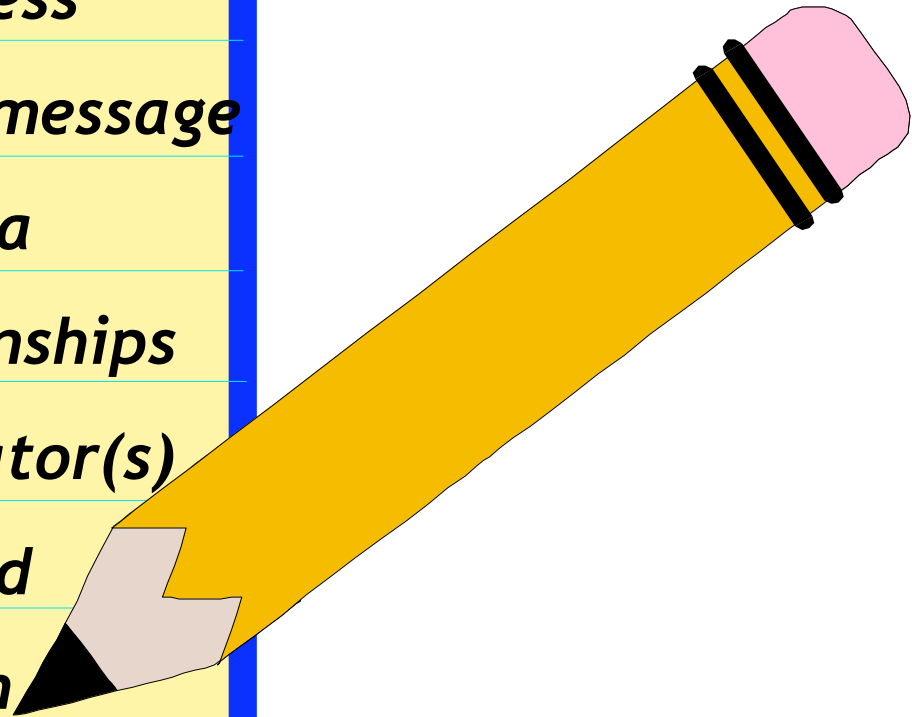
How do we get there?

*A Strategic
Communication
Plan*



The Key Elements of a Strategic Communication Plan

- *Communications Strategy*
- *Key Stakeholder List*
- *Communication process*
- *Well defined plan & message*
- *Communication Media*
- *Trust & good relationships*
- *Effective Communicator(s)*
- *Frequent, timely, and accurate information*



Key Stakeholders



NRC

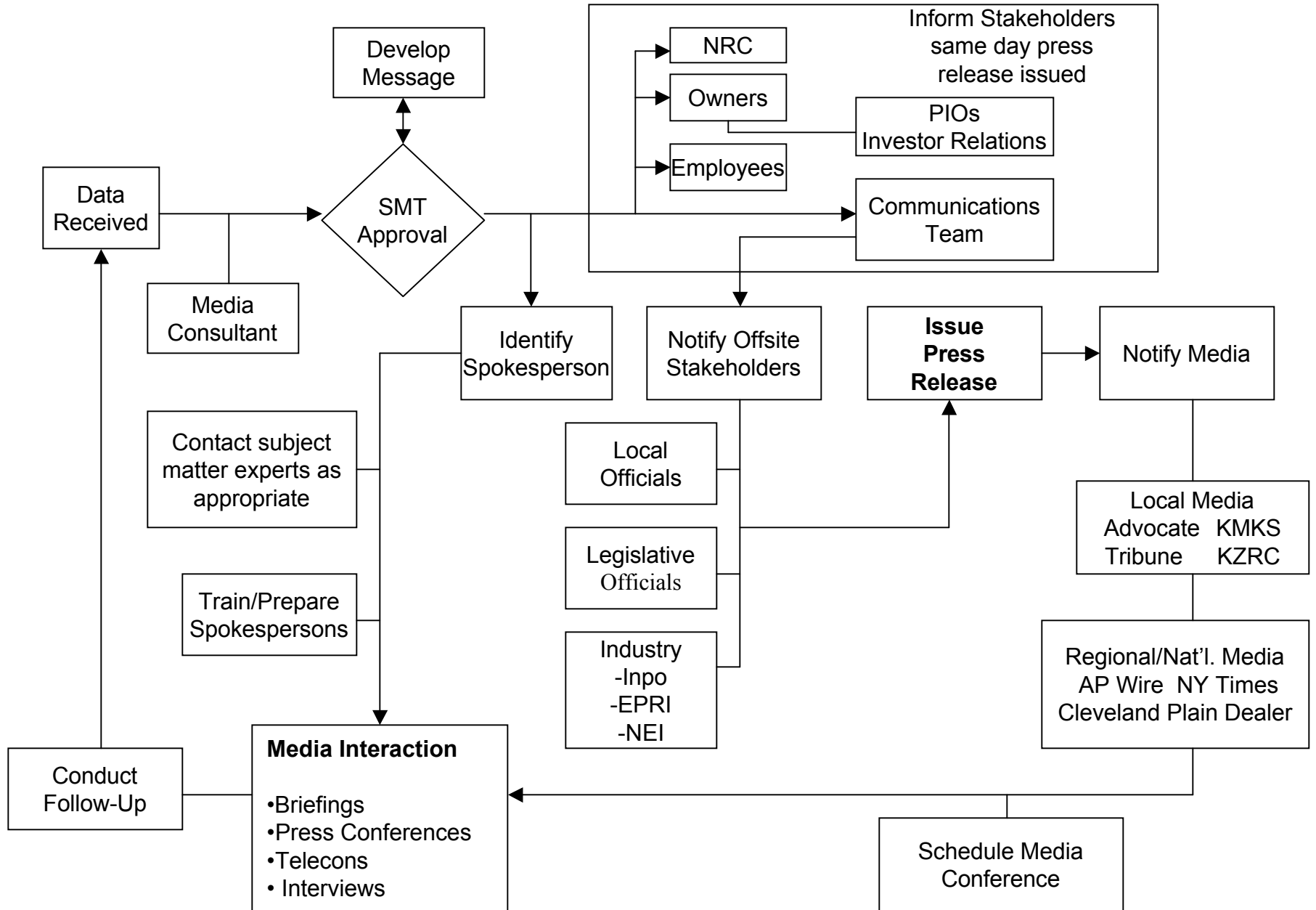
OWNERS

EMPLOYEES

OFFICIALS

MEDIA

BMI Communications Process





South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

April 22, 2003

To: Our Friends and Neighbors

Subject: South Texas Project Unit 1

Dear Friends:

I want to take this opportunity to tell you about an issue we are dealing with at the South Texas Project. A small amount of residue from reactor coolant fluid was found by our engineers on the outside of the bottom of the Unit 1 reactor during our current refueling and maintenance outage. I want to personally assure you the South Texas Project is safe and secure.

We found this problem with Unit 1 while it was shut down and we are continuing to maintain the unit shut down and in a safe condition. We will not restart Unit 1 until we are confident that the problem has been addressed. We have the best and brightest in the industry working on the issue.

The powdery material, about the size of one-half of an aspirin, was located on the outside of two of the 58 instrument guide tubes where they enter the bottom of the reactor vessel. The vessel is housed inside the reinforced concrete and steel-lined containment building. The tubes contain instruments that monitor power flow when the reactor is operating. We thoroughly inspected the other 56 and found no residue. In addition, no residue was found on the Unit 2 reactor when it was inspected during its refueling outage last fall.

The managers and engineers at STP are working closely with industry experts and the Electric Power Research Institute to analyze the problem and develop a solution. The Nuclear Regulatory Commission has been fully informed and will review our corrective action plan before it is implemented.

I want to stress that our extensive inspection process has worked. The Unit will remain shut down until the issue is resolved. We will keep you up-to-date, as information becomes available.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Sheppard".

James J. Sheppard
President and CEO
STP Nuclear Operating Company



Nuclear Reactor in Texas Leaking Cooling Water

New York Times, April 18, 2003

NRC, STP Grapple With Questions Surrounding South Texas-1 Residue

Nucleonics Week, April 24, 2003

NRC Approves South Texas Project Unit 1 Restart

Nuclear Energy Institute Overview, August 11, 2003

Texas Reactor Leak Rattles U.S. Nuclear Industry

Reuters, May 1, 2003

Source of Leak Discovered at Nuclear Plant

Houston Chronicle, May 22, 2003

Cracks Located, Reactor Repairs to Begin

UPI, May 26, 2003

Bay City's Nuclear Plant is Given Okay

Corpus-Christi Caller-Times, August 12, 2003

Repair Plan for Reactor With Leaks

New York Times, June 5, 2003

Nuclear Reactor Back Online

San Antonio Business Journal, August 14, 2003

Step Taken to Repair Reactor Coolant Leak

Houston Chronicle, June 17, 2003

Operators Complete Repairs at South Texas Plant

Reuters, July 11, 2003

Reactor Cracks Not Systemic, Texas Engineers Say

Cleveland Plain Dealer, July 18, 2003

Reactor Ready for Duty, Officials Declare

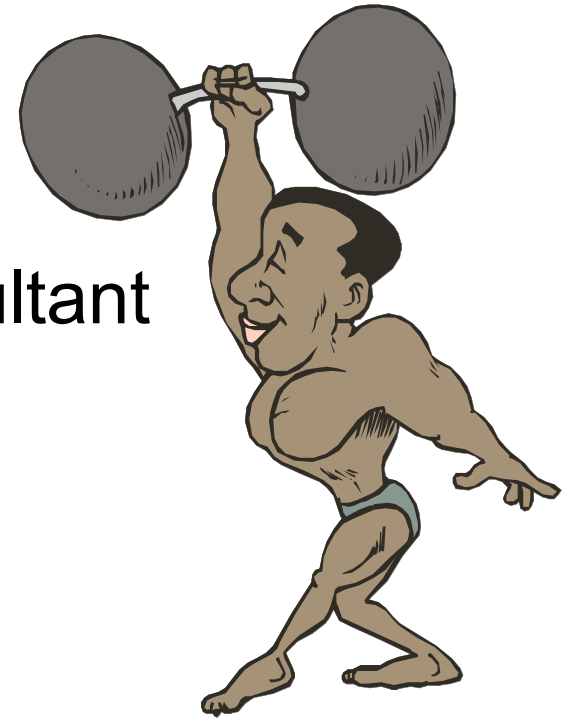
Matagorda County Advocate, July 29, 2003

South Texas Reactor Back at Full Power

Associated Press, August 15, 2003

What Went Well?

- Coaching by communications consultant
- Plant Manager as spokesperson
- Close coordination with owners
- Consistent message
- “One-half of an aspirin tablet”
- Employee communications
- Support of local, state and federal officials
- Positive NRC statements



What Could We Have Done Better?

- Timing of first press release
- First public NRC meeting
 - Engineering presenters did not have media training beforehand
 - Speculated before all facts known
- Notified some agencies too soon



The Bottom Line

Recognize that communications has to be one of the top priorities in handling any tough issue, and effective and trusted communicators are an integral part of the team

