

HIGHLIGHTS:



Continuing to
achieve safety
excellence



Exploring
innovative
solutions



Socio-economic
support for local
initiatives

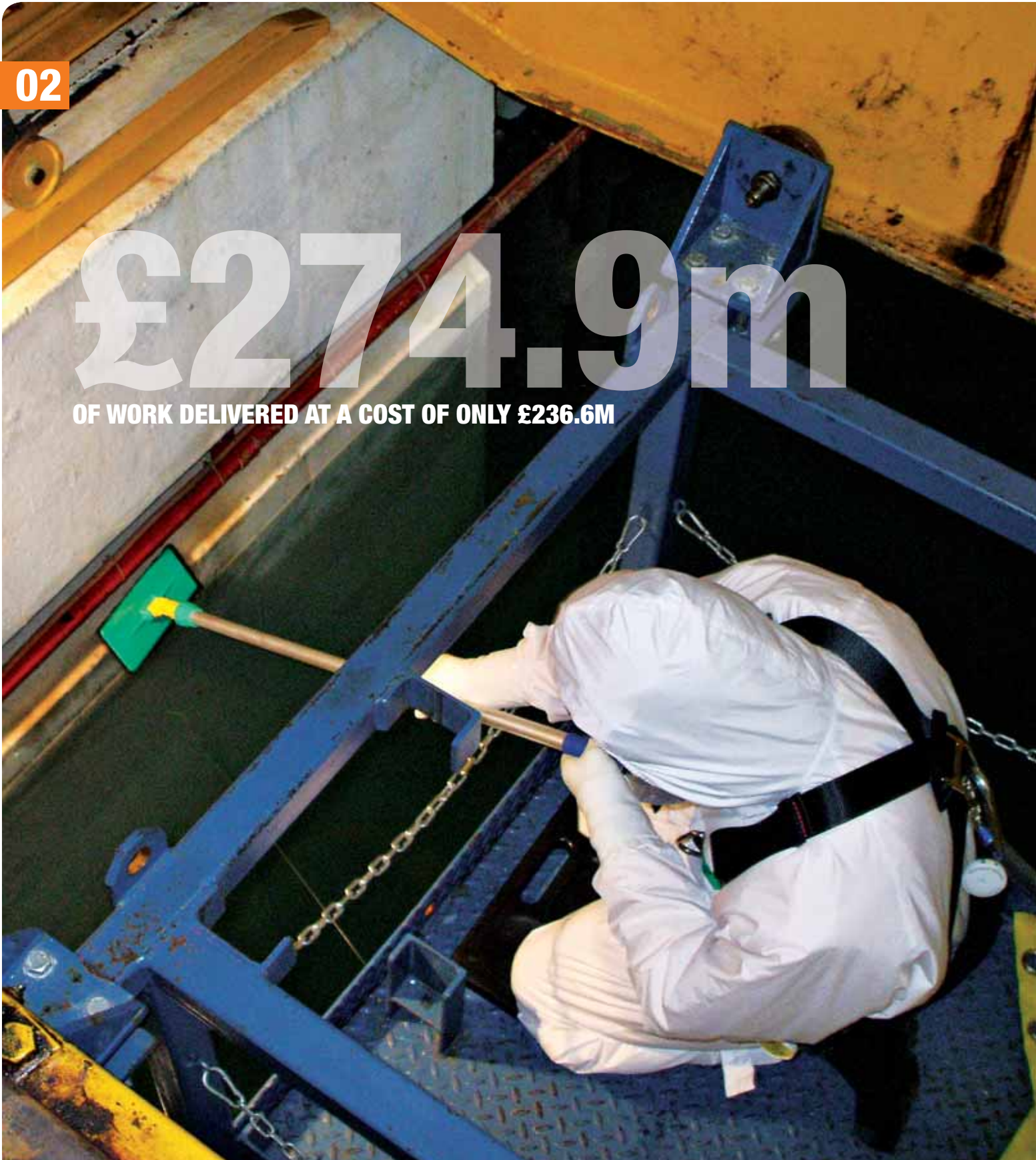
**CONTINUING TO REDUCE
HAZARDS ACROSS ALL OUR
SITES AND SUCCESSFULLY
MEETING EVERY CHALLENGE**

...innovating to deliver

VALUE

£274.9m

OF WORK DELIVERED AT A COST OF ONLY £236.6M



1

Hinkley Point A

Decommissioning Site
Start operation: 1965
End operation: 1999
Defuelling complete: 2004



2

Berkeley

Decommissioning Site
Start operation: 1962
End operation: 1989
Defuelling complete: 1992



3

Dungeness A

Defuelling Site
Start operation: 1965
End operation: 2006



4

Bradwell

Decommissioning Site
Start operation: 1962
End operation: 2002
Defuelling complete: 2006



5

Sizewell A

Defuelling Site
Start operation: 1966
End operation: 2006

highlighting our ACHIEVEMENTS



£8.5m
worth of self-perform
work carried out

This is Magnox South’s third annual Achievements Brochure outlining the many accomplishments which have been reached over the past year or so.

Magnox South continues to perform well, delivering value safely to the tax payer during times of continued change for the UK nuclear industry.

I hope you enjoy reading this brochure and are as impressed with the passion and flexibility that our workforce continues to show. The huge amount that has been achieved safely towards the decommissioning of our five nuclear sites is a testament to this dedication to safe delivery.

Self-performance of work across Magnox South continues to be one of our main priorities, with **more than £8.5m worth of self-perform work** carried out across dozens of projects.

Through retraining and reskilling our employees and carrying out work internally that would have previously been contracted-out, **we delivered £274.9m of work at a cost of only £236.6m.** These savings are ploughed back into the generating and decommissioning plans carried out across the estate of our customer, the Nuclear Decommissioning Authority (NDA).

With the submission of revision D of our Lifetime Plan, Magnox South has seen the start of our journey to reduce overall liabilities. **Costs to reach care and maintenance have reduced, as have the overall lifetime costs.**

While continuing to reduce the hazard across all our sites and successfully meeting numerous challenges, it is often all too easy not to take a moment to reflect on what has been safely delivered on behalf of the NDA.

Thank you for taking the time to read this brochure. When you look through the highlights, I hope you will agree that **Magnox South has continued to perform at the top level** and I am confident that this will continue.

Mark L. Lesinski
Managing Director, Magnox South



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Magnox South has continued to achieve an excellent safety performance with all five sites' safety metrics being met or beaten in all areas. This record is expected to continue through proactive management of the safety culture and worker-led interventions.

A number of Office for Civil Nuclear Security (OCNS) reviews were successfully completed at sites confirming our security arrangements are satisfactory.

The following few pages show some of the safety achievements and initiatives that have been carried out within Magnox South.

RoSPA

AWARDS ACHIEVED AT ALL
MAGNOX SOUTH SITES

1,600

EMPLOYEES REACHED WITH
STAND UP FOR SAFETY VIDEO

This has been another year of tremendous dedication to safety by Magnox South's employees. A proactive approach has been taken to enhance the safety culture of the business through various new initiatives and this has been a real success.

Safety workshops provoke challenging thought

A small group of actors had a big impact on their audience when they re-enacted a true life incident to members of Magnox South staff. Following a powerful workshop at the second annual Magnox South safety conference, AKT Productions were asked to take their message to all sites.

The incident they acted out involved the real life story of a man who died on an off shore oil rig. His brother encouraged AKT to use the incident so others could learn from the tragedy. The portrayal of the events leading up to and including the incident and the days that followed highlighted some poignant and challenging thoughts for all employees involved in control and supervision or delivery of work.

Stand Up for Safety video marks a company first

A company-wide stand-down marked the launch of a new approach to sharing information between senior executives and the rest of the workforce.

Environment, health, safety, security and quality (EHSS&Q) director, Robin Chaplin, joined chief nuclear operating officer Ray Jepps and managing director Mark Lesinski in a video used to highlight the importance of always thinking safety first. An audience formed of employees across all Magnox South sites stood down at the same time to receive the message – a company first.

The initiative marked the beginning of a bid by senior management to further improve the company's safety performance. This renewed effort is a bottom-up process; it aims to feed back thoughts and feelings from end-users of safety management systems, to those in the best position to effect change.

Site EHSS&Q teams followed-up the video stand-down by leading a series of workshops with teams on the ground, discussing real-life experiences, what works best for them and, on the flip-side, where there is a desire to make things better.

Success at RoSPA Awards

In recognition of their commitment to safety and excellent performance, Magnox South sites received the following RoSPA Awards:

Berkeley – Order of Distinction

Bradwell – Gold Medal

Dungeness – Gold Medal

Hinkley – President's Award

Sizewell – President's Award



**GOLD MEDAL
Award**



MORE THAN 1,000 WORKERS ATTENDED A TOTAL OF 70 SAFETY WORKSHOPS ACROSS THE COMPANY

70 workshops

- 1. Fire team training at Dungeness
- 2. Stand Up for Safety filming in action
- 3. AKT Productions re-enact a true life incident
- 4. The Berkeley team receiving its RoSPA Award



1

2

3

4

safety continued...



THE LESINSKI RUNNER CHARACTER REMINDS STAFF ON THE FRONT OF EACH EDITION OF SOUTH, MAGNOX SOUTH'S EMPLOYEE NEWSLETTER, TO "ALWAYS THINK SAFETY FIRST"

Refreshed company driving standard

The spread of Magnox South's sites around the coast of Southern England means that road travel presents a significant risk for some staff. To control this as far as possible a new and refreshed company standard was developed.

This requires:

- use of other means of conducting business whenever practicable
- managers to discuss travel needs, and the driving policy, with staff
- a ban on the use of motorcycles for company business
- defensive driver training for people who exceed 2,000 miles per year
- advice to drivers on reducing risks.

Standardised safety procedures

To facilitate movement of staff and contractors between sites, Magnox South is seeking to harmonise detailed working procedures across all sites.

A start has been made with a new procedure for assessing radiological dose against the ALARP (As Low As Reasonably Practicable)

criteria. Work is now underway to produce a standard for controlling use of cranes and similar lifting machinery.

A new company standard has been produced on avoiding danger from buried cables during decommissioning. This emphasises the importance of good planning and makes total isolation of all supplies in the work area the preferred approach.

Improved electrical and mechanical safety rules

The electrical and mechanical safety rules have an essential role in controlling risks from operational plant. A working group including EHSS&Q representatives and users from sites revised the rules with the aim of making them easier for new employees and contractors to understand. This was backed up by a major revision of some of the training associated with the rules. The new rules came into effect this year without a hitch.

New site inspection arrangements

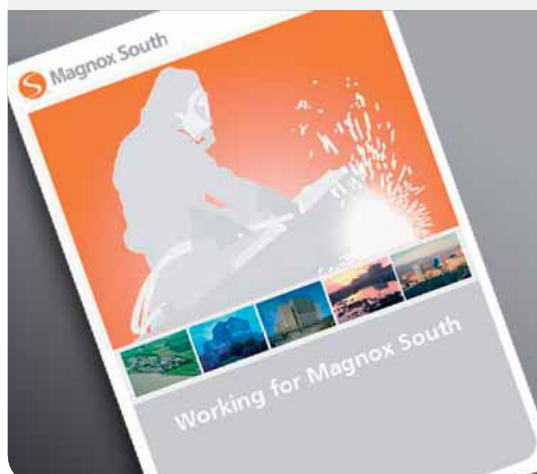
In the past, each site has had a dedicated site inspector from the central EHSS&Q team whose role has been to provide independent scrutiny of site licence compliance and safety performance.

To provide better support in the decommissioning environment the site inspectors have been reorganised into two new teams. The Evaluation and Assist Team will continue inspection against IAEA standards across all sites while the new Process Improvement Team will promote benchmarking and sharing of best practices across sites. This new team will also identify opportunities for doing things more safely, compliantly or economically.

Project safety review process introduced

A new process has been introduced for monitoring health, safety and environmental performance of projects. Each month the performance is scored against a standard checklist resulting in the project being allocated a colour (green, amber or red).

The results form part of the monthly report that goes to the Magnox South executive meeting. This provides senior management with an ongoing picture of safety performance associated with our key business activities.



Expectations booklet

A pocket-sized booklet Working for Magnox South is given to everyone, other than accompanied visitors, who work on our sites. Its purpose is to set clear expectations in the areas of personal behaviours, safety, the environment and the site licence. It has been revised this year to keep the content relevant and to introduce the new senior management team.

Site ROUND-UP

BERKELEY SITE



90%

of people trained as behavioural safety observers

1,328 behavioural safety observations in 2008/09

21 weeks without a Lost Time Accident (LTA)

BRADWELL SITE

2,426

behavioural safety observations in 2008/09

434 days without an LTA

Average of 25% of trained observers were actively submitting observations



DUNGENESS A SITE

400

days without an LTA

196 people trained as behavioural safety observers

2,676 behavioural safety observations in 2008/09



SIZEWELL A SITE



366

employees were involved in safety improvement workshops – 71% of the workforce

849 days without an LTA

3,375 behavioural safety observations in 2008/09

Average of 25% of trained observers were actively submitting observations

HINKLEY POINT A SITE



31,866

powsa (point of work safety assessments) completed in 2008/09

649 days without an LTA

2,979 behavioural safety observations in 2008/09

More than 90% of people trained as behavioural safety observers

A licence was gained to deliver courses in managing and working safely

EXCELLING IN WORLD CLASS SAFETY ACROSS THE COMPANY

making significant

DECOMMISSIONING PROGRESS

Significant progress has been made this year in decommissioning and other areas. This section of the brochure features some of the many achievements which particularly stand out.

Legal separation

Magnox South

A major milestone in the restructuring of the UK nuclear industry was achieved in October 2008.

Magnox Electric Limited became two legally separate site license companies (SLCs) – Magnox South Limited and Magnox North Limited.

Both SLCs are owned by EnergySolutions for the duration of the management and operations contract with the NDA and, although separate, the two businesses continue to work together for the benefit of the customer. To ensure consistency, the sharing of ideas and best practice continues with Magnox North.

Throughout shadow working, which began in November 2007, Magnox South put in a tremendous effort to establish its credentials and achieved outstanding levels of performance during this period of change.

Berkeley site restructuring progressing well

Berkeley

Berkeley Site started a process of organisational restructuring early in 2008 which is progressing well against schedule.

A 'vision' of what the future would look like for Berkeley Site was established which enabled definition of the work required to achieve and support this vision.

Throughout the whole process the site has worked in partnership with the trade unions both at Site Joint Council and Company Joint Council levels. Reskilling and redeployment across Magnox South have been offered to employees no longer required to support Berkeley Site.

The site has sought to support staff through this change through a number of measures such as holding 'coping with change' workshops, stress focus groups and employing a counselling service on site.

The site has also invested in employee engagement going forward to December 2009 when the majority of the transition programme will be completed.

The result will be a starting point for determining appropriate staff levels for a compliant and virtually dormant site.



Magnox South and Magnox North continue to work together in order to deliver best value to the taxpayer



80 tonnes



Sizewell pipebridge removed ahead of schedule

Sizewell A

Sizewell has successfully removed one entire pipebridge including its pipework and asbestos lagging. Asbestos and pipework from the second pipebridge has also been removed. This work is approximately four months ahead of original schedule.

This represents the removal from site of 80 tonnes of hazardous asbestos and a structurally deteriorating pipebridge. The remaining pipebridge will be removed early in 2009/10.

The total amount of asbestos removed from Sizewell across all projects in 2008/09 was 120 tonnes.



milestone achieved

Bradwell ponds project achieves key milestone

Bradwell

Following successful integration of the 'One Team' at Bradwell, made up of personnel from both Bradwell and Hinkley, the ponds deplant and demolition project has completed several supporting activities which saw achievement of partial drain down in March 2009.

This significant milestone saw the team lower the level of the pond water by one metre. It was achieved through extensive planning, communication and execution across the whole site at Bradwell and will provide a wealth of specific data which represents a major step forward for future hazard reduction at Bradwell – a fantastic accomplishment. This initiative will result in shared learning across both Magnox South and Magnox North.

There has been vertical embedment of lessons learned at Bradwell to accelerate learning across the sites. This ultimately will lead to the 'programmisation' of ponds projects across the fleet.

This project has demonstrated the benefits of knowledge transfer by moving a core group of task-specific experts and integrating them with the host site's team.

In this pathfinding group the core speciality was radiological work practices in high hazard settings, specifically ponds work.



decommissioning progress continued...



Success for pioneering dissolution programme at Dungeness A leads the way

Dungeness A

Operations at the Magnox Dissolution (MXD) plant at Dungeness A have offered a projected lifetime saving of £35m to the taxpayer. Fuel Element Debris (FED) is processed through the plant so that the radioactivity it contains is isolated within a non-dissolved residual that comprises less than 5% of the original volume. The non-radioactive remainder is dissolved and released to the sea with negligible environmental impact from the effluent waste.

A total of 7.8 tonnes of FED was retrieved and dissolved in 2008/09, and plant modifications were carried out in order to maintain reliability and performance.

Utilising the experience gained at Dungeness, the Decommissioning Strategies Organisation worked closely with stakeholders at Bradwell and Sizewell to identify the best strategy for the management of their FED. Dissolution was identified as the Best Practicable Environmental Option (BPEO) for the sites.

Phil Heaton, a lead inspector for the Environment Agency (EA) said: "The EA fully supports the development and application of dissolution, and has been particularly impressed by the standard of the BPEOs

and stakeholder engagements that have been conducted. The EA sees this as a shining example."

Work is now underway to update the Lifetime Plan at Bradwell to reflect the dissolution approach, which could potentially result in lifecycle cost savings of £32m. Meanwhile at Hinkley, a stakeholder engagement process has commenced, with an early stakeholder workshop identifying dissolution as the preferred option for the site.

Hinkley pond skips project completed eight months early

Hinkley Point A

The last of nearly 1,200 metal skips was removed from the cooling ponds at Hinkley. The skips, which have been in the ponds since the early sixties, are smelted at the Bear Creek facility in America and turned into shielding blocks for use solely within the nuclear industry.

The project to remove them was completed eight months ahead of schedule, saving around £2 million.

The Hinkley ponds were the most cluttered and hazardous in the Magnox fleet by far. Simplified processing and handling techniques improved the efficiency of this project significantly.

Looking after our assets

Magnox South

Magnox South has embarked on a comprehensive asset management programme to ensure the integrity of plant around all sites.

While some may regard it as ironic for a decommissioning and clean-up contractor to protect plant that will ultimately be demolished, Magnox South must ensure safety and regulatory compliance at all times as well as always maintaining safe working conditions for our employees.

A lot of plant on sites was designed and built 50 or more years ago and while meticulously maintained during generation, is now in use beyond original design life and known operating experience.

What the asset management system will do is provide comprehensive and regularly updated information about the infrastructure of sites ensuring safety and regulatory compliance is given priority at all times.



Dungeness plant is exposed to coastal elements

decommissioning
progress continued...

MiniStores are an innovative alternative

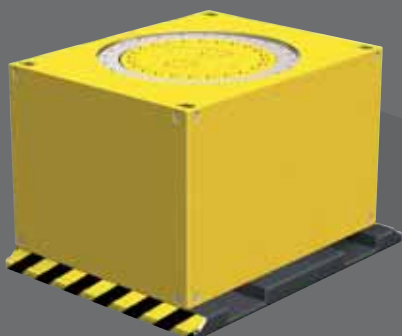
Magnox South

Extensive engagement with regulators, stakeholders and potential suppliers has enabled an alternative approach to managing intermediate level waste (ILW), known as ILW MiniStores, to be considered as a realistic option for sites as decommissioning moves forward.

“MiniStores are robust, shielded, stackable waste containers. They can protect the waste and provide shielding so there is no need for large ILW stores to be constructed. This offers more flexibility to the decommissioning programme – buying containers as you go without any significant up front capital expenditure, while achieving the same end points. Work can be progressed in campaigns that focus on the high hazards first.

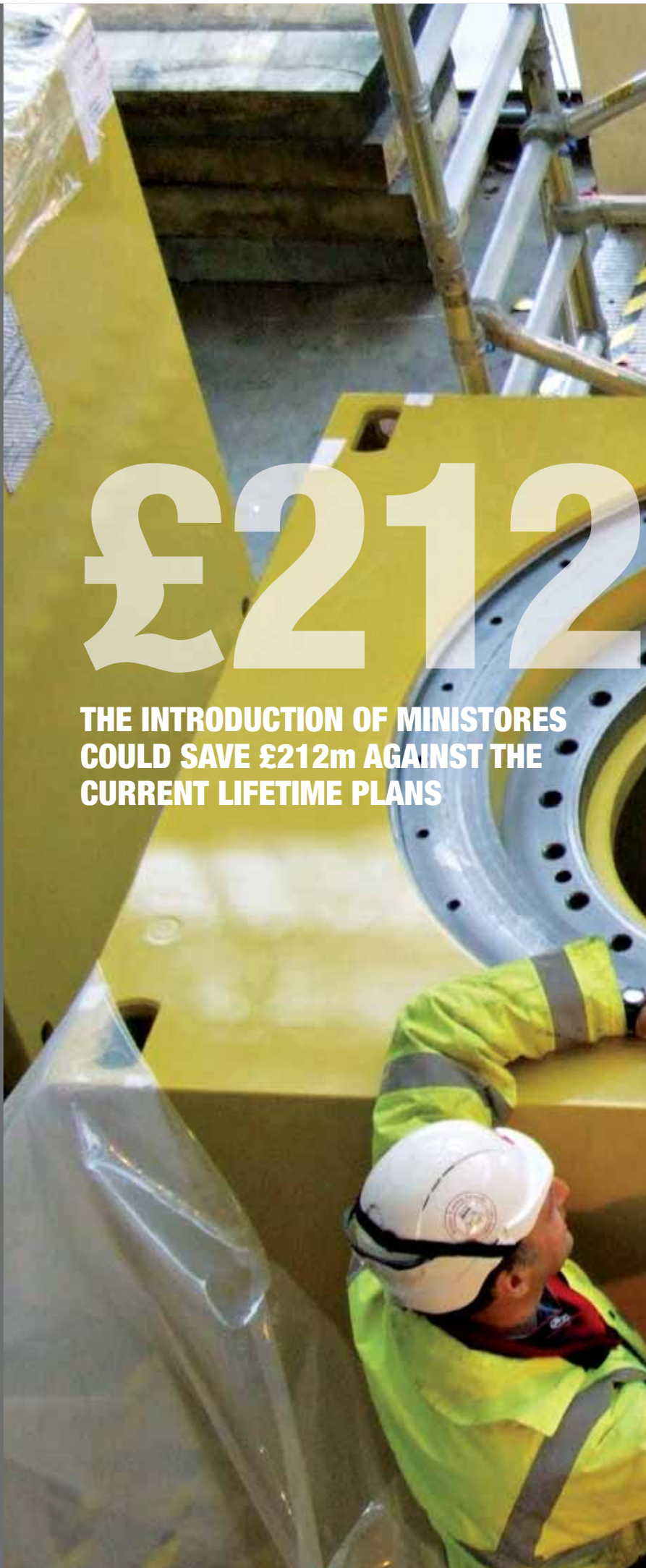
We’re continuing to work with regulators, the NDA and stakeholders to realise the ILW MiniStores opportunity.”

Mike Gull, Special Projects Director



£212

**THE INTRODUCTION OF MINISTORES
COULD SAVE £212m AGAINST THE
CURRENT LIFETIME PLANS**





Dungeness ILW MiniStore testing a UK first

Dungeness A

Dungeness is performing pioneering work in testing the ILW MiniStores concept on behalf of Magnox South – and the UK.

In a pathfinder project, the site is transferring spent intermediate level waste resin from existing storage tanks into three of the ILW MiniStores cast iron containers, and dewatering it to a safe state.



“...SAFE, AFFORDABLE AND FLEXIBLE SOLUTION THAT GENERATES COST SAVINGS”

our greatest asset is OUR PEOPLE

“Our workforce continues to be flexible and dedicated to delivering for our customer, with our reskilling and retraining focus remaining strong. Our employees are becoming more mobile as we move even further towards a ‘one-SLC’ approach to working.” Mark Lesinski, Managing Director



Investors in People status achieved

Magnox South has been recognised against a national benchmark with the award of Investors in People (IIP) status. The company achieved the corporate IIP status after our first audit as one organisation following legal separation.

The company joins more than 30,000 organisations who undertake the business improvement process designed to increase performance and help achieve objectives through the management and development of people.

Among the areas highlighted for credit include the “STEP” appraisal process, which two years after implementation is showing visible signs of business improvement. The significant time and effort placed on communications was also praised, as was the financial investment in training and development.



Leading the way in reskilling

In addition to working closely with the National Skills Academy Nuclear (NSAN), Magnox South has continued to lead the way in skills training, developing new reskilling programmes in waste management, radiological protection and D and D (defuelling and decommissioning).

Magnox South delivers the majority of this training through our own worker trainers and have also more than 100 employees involved in externally funded NVQs in nuclear decommissioning or radiological protection at Bridgwater College, which has just received planning consent for a purpose built energy skills centre. Our graduate development scheme is now recognised by seven accredited bodies.



Environmental accreditation for scheme

Pre-separation, Magnox Electric became the first company in the country to achieve accreditation across a multi-sited organisation with the Institute of Environmental Management and Assessment (IEMA).

Magnox South, on behalf of Magnox Electric, led the development of the professional development scheme for environmental professionals. The scheme is unique in being open to all environmental staff, not just graduates.



INVESTOR IN PEOPLE

**FIRST COMPANY IN THE COUNTRY TO
ACHIEVE IEMA ACCREDITATION ACROSS
A MULTI-SITED ORGANISATION**

developing our

SOCIO-ECONOMIC PLAN

Nine projects local to Magnox South's sites were awarded funding by the socio-economic development scheme in the 2008/9. These donations are decided on in conjunction with the NDA and support it in meeting its socio-economic obligations, set out by government in the Energy Act 2004.

In total, 29 formal applications totalling close to £1.2m were processed by the scheme. The successful applicants shared the £175,000 funding pot between them and were:

Sedgemoor District Council (Hinkley) £35,000

A multi-agency partnership with a 25-year plan for the transformation of Bridgwater. The funds awarded will be used to implement an extensive community engagement plan, aiming to allow stakeholders to contribute to the master plan, giving them a sense of ownership through a two-way flow of communication, ensuring the vision reflects people's needs and desires.

Bridgwater Chamber of Commerce (Hinkley) £15,000

The recently launched Bridgwater Chamber of Commerce seeks revenue funding to cover all costs associated with a full-time administration and marketing post. The post holder will be held accountable for office duties, event management, media handling and all activities aimed at attracting new members.



Suffolk ACRE (Sizewell) £17,500

This project aims to deliver socio-economic renewal within three market towns, Leiston, Saxmundham and Aldeburgh, which are all situated near to the Sizewell site.

GL11 Community Project (Berkeley) £25,000

GL11 is a voluntary community project, formed in 2001, to engage residents from diverse local communities, assessing their collective needs and acting to meet them. It provides: learning and education opportunities, from one-off taster sessions to year-long accredited courses; support, social and skills development for all age groups, and; a range of volunteering opportunities.



Maldon District Council (Bradwell) £15,000

Revenue funding for a Rural Business Advisor who works with local community members, particularly landowners and agricultural businesses, supporting them through the planning process in order to encourage the redevelopment of disused buildings for business purposes, promoting economic growth and safeguarding local employment.

Kent Wildlife Trust (Dungeness) £14,000

Romney Marsh Visitors Centre is run by Kent Wildlife Trust in partnership with Shepway District Council. It provides free public access to a wealth of local information, exhibitions, wildlife at the site, and guided walks and talks run throughout the year. Aside from the Centre Manager, the site is run by 40 volunteers from a range of backgrounds, including unemployed people wishing to gain meaningful occupation and work experience.

University Campus Folkestone (Dungeness) £27,000

Continued funding from last year (£36k granted in 2007/08). At the level of funding awarded, this project aims to provide information and advice about education and training options to 200-300 people; a further

100 will participate on one of 20 course programmes and it is expected that 20 of these will progress onto college courses and higher education studies.

Vale Vision (Berkeley) £1,500

Vale Vision seeks matched funding to assist with the launch and management of a new business forum. The award will fund events and the promotion of the forum locally. The forum's aims are to establish local business needs and encourage networking between businesses, developers and local councils.

LOTA Training (Bradwell) £25,000

LOTA was launched in 2007 as a local training provider aiming to meet the skills needs of local businesses. It is a Work Based Learning provider which receives funding from the government via the Learning and Skills Council. The funding sought is for the development of a new centre specifically for the development of skills in engineering. £50,000 has already been raised and the requested sum would complete the funds needed to fully equip the centre.


ENERGYSOLUTIONS

Funding was also made available by the parent body organisation EnergySolutions, to enable sponsorship of a number of community initiatives around all Magnox South sites.

Pre-NSG stakeholder meetings continue

Magnox South has continued to expand and develop our communications with stakeholders and has now held several pre-National Stakeholder Group meetings with the NDA for key representatives from all five Site Stakeholder Groups (SSGs) producing excellent feedback from the stakeholders involved.



Magnox South Limited

Berkeley Centre

Berkeley

Gloucestershire

GL13 9PB

Tel: +44 (0)1453 814000

Fax: +44 (0)1453 812529

www.magnoxsouthsites.com



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