

VERMONT YANKEE NUCLEAR POWER CORPORATION

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October 31, 2000
BVY 00-100

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Reference: (a) Letter, VYNPC to USNRC, dated May 16, 2000.

**Subject: Vermont Yankee Nuclear Power Station
License No. DPR-28 (Docket No. 50-271)
Response to NRC Letter dated October 2, 2000,
"Alleged Discrimination of a Vermont Yankee Contract Employee"**

In response to the October 2, 2000 letter received from Mr. Hubert J. Miller, Regional Administrator, Vermont Yankee provides the following information.

Vermont Yankee (VY) takes its responsibility of promoting and maintaining a safety conscious work environment very seriously. The company position on this subject is very clear and comes from the highest level of our organization. Simply stated, we place a great deal of importance on the ability of our employees and workers to raise concerns without fear of retaliation. A letter from the Chairman of the Board of Directors and CEO/President, sent to all employees states, "Open communications among all employees, including contractors and their employees, and the identification and resolution of problems is key to our success in a more competitive electric utility environment. In this regard, VY management must respond appropriately to any concerns expressed by VY employees. Staff-level VY employees are the first line of defense in the operation of the plant. If such individuals have concerns with plant operations, we need to hear those concerns and VY management must take appropriate action to address them." The letter goes on to say, "We will not tolerate retaliation against employees because they raise concerns."

This expectation is routinely reinforced and re-emphasized through training, department meetings, and correspondence. It is also monitored through culture and/or employee concerns surveys, quality oversight surveillances and audits, assessing the input into our corrective action program and through observation.

VY feels very confident that we have a safety-conscious work environment (SCWE) that promotes the identification and resolution of problems.

Responses to the specific NRC requests are provided in the attachment to this letter. Should you have any questions, do not hesitate to contact me.

*PR available
per G. Civalina
IE54*

VERMONT YANKEE NUCLEAR POWER CORPORATION

Sincerely,

VERMONT YANKEE NUCLEAR POWER CORPORATION

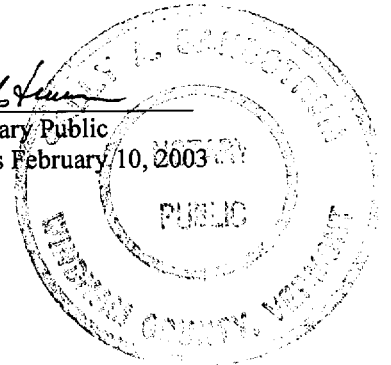
Michael A. Balduzzi

Michael A. Balduzzi
Vice President, Operations

STATE OF VERMONT)
)ss
WINDHAM COUNTY)

Then personally appeared before me, Michael A. Balduzzi, who, being duly sworn, did state that he is Vice President, Operations of Vermont Yankee Nuclear Power Corporation, that he is duly authorized to execute and file the foregoing document in the name and on behalf of Vermont Yankee Nuclear Power Corporation and that the statements therein are true to the best of his knowledge and belief.

Sally A. Sandstrum
Sally A. Sandstrum, Notary Public
My Commission Expires February 10, 2003



Attachment

- cc: USNRC Region 1 Administrator
- USNRC Resident Inspector – VYNPS
- USNRC Project Manager – VYNPS
- Vermont Department of Public Service

Attachment 1

- 1. Your position regarding whether the actions affecting this individual violated 10 CFR 50.7 and the basis for your position, including the results of any investigations you may have conducted to determine whether a violation occurred. You may reference, as appropriate, any prior correspondence with the NRC on this matter.***

RESPONSE:

There was no retaliation against this individual. The circumstances of our investigation and the basis for our conclusions are stated in our May 4, 2000 letter to the U.S. Department of Labor (DOL), a copy of which was provided to Region I (OI) on May 16, 2000 (Reference a).

- 2. Actions you have already taken or plan to take to assure that this matter is not having a chilling effect on the willingness of other employees to raise safety and compliance concerns within your organization and, as discussed in NRC Form 3, to the NRC.***

RESPONSE:

Vermont Yankee (VY) recognizes that free and open expression of worker concerns is a fundamental characteristic of active communication and is essential to safe and efficient operation. Our Employee Concerns Policy, VYP: 226, clearly states that employees have the right and responsibility to report concerns, especially those related to safety, quality, security, environment or health and that it is expected that most concerns and issues will effectively and promptly be resolved through normal worker/supervisor interaction and communication or utilization of the corrective action processes. We also recognize that there may be circumstances where other processes may be required to resolve the concern or issue. These processes include communication with other supervisors or managers, communication with Quality Assurance (QA) personnel, using applicable corporate policies, using the Concerns Program or reporting to the Nuclear Regulatory Commission (NRC) or other regulatory agencies. The policy also clearly states that concerned individuals have the right to protection from reprisal, harassment, intimidation, retaliation or criticism as a result of reporting a concern, whether it be reported to VY or some other agency and that VY employees or contractors will not engage in harassment, intimidation, retaliation or criticism of any individual for raising concerns which are protected by law.

A number of activities and reviews are done to assure that these expectations are met, including periodic training for all managers and supervisors, independent reviews, review of industry information/benchmarking, surveys, postings and communications and face-to-face meetings, report-outs to senior management and review of selected performance indicators. Additional information on these topics is provided below. Additionally, it should be noted that the individual and issue under review primarily worked out of the corporate location. The investigation performed by VY and the DOL was not publicized beyond those with a need to know. Based on observations, it would appear that not a lot of people knew that the issue even happened, thus making it unlikely that it could have caused a chilling effect.

Training

VY conducts training, using an experienced attorney, for all managers and supervisors. During the last training session, July 1999, information was presented on sexual harassment, safety-conscious work environment, how to deal with employee concerns (including those related to performance evaluations, corrective action/discipline) and hostile work environment. VY is planning to conduct this training again in the near future.

Additionally, VY's initial and annual General Employee Training (GET) addresses the issue of employee concerns. Included in this computer-based training module is information on VY Management's expectations, VYP: 226, issue resolution options, including the Employee Concerns Program, the NRC and an anonymous hotline. The issues of discrimination and retaliation are clearly presented.

Independent Reviews

Our QA personnel are sensitive to the importance of SCWE and the corrective action process and occasionally provide independent assessment of those areas to management. There have been no reports indicating a reluctance by individuals to identify concerns or problems.

Recently (Oct. 2000), four QA personnel from other utilities reviewed elements of VY's QA Program. In the process of that review a number of documents were inspected and a number of individuals interviewed. At one of the debriefings they were asked to share their opinion regarding VY's SCWE culture. They all indicated that it was strong, citing examples where people frequently and openly talked about issues and concerns and that there was no reluctance to enter issues into the corrective action program.

NRC Inspection 2000-03, dated June 2, 2000, reviewed Vermont Yankee's Problem Identification and Resolution Process. The report concluded, "VY staff were familiar with the program for implementation of a safety conscious work environment. There was no indication of any hesitancy on the part of the station personnel to identify safety issues to management."

Industry Information

Information from the industry is routinely received and reviewed, including the statistics from the NRC web site. Occasionally industry and/or NRC information (e.g., case studies, judgements) are sent to VY managers for information and use. The most recent transmittal was an industry newsletter with an article on "Nurturing the Safety-Conscious Work Environment." The article was transmitted to managers with a request that they read the material and discuss it with their staff. They were also asked to reflect on whether their behaviors promote a SCWE. The Employee Concerns Program (ECP) Administrator brought up this transmittal at two of the Plant Manager's weekly meetings.

Information regarding the ECP and NRC Form 3 are conspicuously posted at all company locations.

Surveys

VY has performed employee concerns surveys for several years. The questions typically deal with the responsiveness of the organization and their supervisors in dealing with concerns, ask what they would do if they had a concern and asks about their familiarity with the Employee Concerns Program. The results of the survey are shared with managers and are used as input for setting up refresher training and identifying focus areas for the managers.

A recent survey, conducted after the issuance of the DOL report, was performed in the department where the complainant worked. The results were indicative of a strong safety conscious work environment.

Performance Indicators

Indicators routinely evaluated in our quarterly trend report include the number of issues being raised through our corrective action process. When one compares the first nine months of 1999 to the equivalent period in 2000, it shows that the number of Event Reports (ERs) being initiated in 2000 to be greater by over 200, indicating no reluctance of the staff to raise issues. With regard to the ERs initiated by the department where the complainant worked, the year-to-date results also show more ERs written in January-September, 2000 than in the comparable timeframe last year.

