

April 3, 2006

CAL 3-04-001

Mr. Dennis L. Koehl  
Site Vice President  
Point Beach Nuclear Plant  
Nuclear Management Company, LLC  
6590 Nuclear Road  
Two Rivers, WI 54241-9516

SUBJECT: PUBLIC MEETING ON MARCH 23, 2006, TO DISCUSS POINT BEACH  
SAFETY CULTURE SURVEY RESULTS

Dear Mr. Koehl:

This letter refers to the public meeting conducted on March 23, 2006, at the Two Creeks Town Hall in Two Creeks, Wisconsin. The meeting was held at your request to discuss the results of a safety culture survey performed by Nuclear Management Company (NMC) at Point Beach Nuclear Plant.

Mr. Patrick Loudon, Branch 5 Chief, Division of Reactor Projects at NRC Region III, opened the meeting with introductions of Nuclear Regulatory Commission (NRC) officials and then turned the meeting over to you and your staff.

Your presentation opened with an overview of four areas ("enablers") to address the results of previous self-assessments at Point Beach. This discussion included a description of the Point Beach Excellence Plan and provided a time-line of pertinent actions (assessments, training) taken by NMC prior to the December 2004 safety culture survey. Then, you discussed NMC's response to the self-assessment results, and provided an overview of ongoing efforts in the four enablers.

Next, you and your staff discussed in detail the four enablers: selecting and retaining the right people; verification of effective implementation of processes; communication and reinforcement of the right picture; and, effective coaching and engagement. You discussed the Site Performance Index, used to monitor these four main areas and measure progress.

Finally, you and your staff discussed initiatives to address the results of the December 2004 safety culture survey. You closed the meeting with an overview of your presentation.

Mr. James Caldwell, Region III Administrator, concluded the meeting with an acknowledgment of the information provided by you and other NMC representatives. Mr. Caldwell emphasized the importance of safety culture and stated that the NRC will continue review of the condition of the safety conscious work environment at Point Beach.

D. Koehl

-2-

A listing of principal NMC and NRC meeting attendees and a copy of the handout provided by NMC at the meeting are enclosed as Enclosures 1 and 2, respectively, to this letter.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's document system (ADAMS), and is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this meeting, please contact me at (630) 829-9627.

Sincerely,

*/RA/*

Patrick L. Loudon, Chief  
Branch 5  
Division of Reactor Projects

Docket Nos. 50-266; 50-301  
License Nos. DPR-24; DPR-27

Enclosures: 1. List of Principal Attendees  
2. Licensee Presentation Slides

Distribution:  
See next page

D. Koehl

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DOCUMENT NAME: G:\POIN\public meetings\03-23-06 public mtg (safety culture)\Pub Mtg Summary 3-23-06.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

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DATE	04/03/06	04/03/06				

**OFFICIAL RECORD COPY**

D. Koehl

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cc w/encl: F. Kuester, President and Chief  
Executive Officer, We Generation  
D. Cooper, Senior Vice President, Group Operations  
J. McCarthy, Site Director of Operations  
D. Weaver, Nuclear Asset Manager  
Plant Manager  
Regulatory Affairs Manager  
Training Manager  
Site Assessment Manager  
Site Engineering Director  
Emergency Planning Manager  
J. Rogoff, Vice President, Counsel & Secretary  
K. Duveneck, Town Chairman  
Town of Two Creeks  
Chairperson  
Public Service Commission of Wisconsin  
J. Kitsembel, Electric Division  
Public Service Commission of Wisconsin  
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**PUBLIC MEETING PRINCIPAL ATTENDEES**  
**March 23, 2006**

Nuclear Management Company

Dennis Koehl	Site Vice President, Point Beach
James McCarthy	Director Site Operations, Point Beach
Aldo Capristo	Business Support Manager, Point Beach
Gerald Young	Nuclear Oversight Manager, Point Beach
Robert Grazio	Compliance Manager, Point Beach

Nuclear Regulatory Commission

James Caldwell	Regional Administrator, Region III
Mark Satorius	Director, Division of Reactor Projects, Region III
Kenneth O'Brien	Team Leader, Enforcement and Investigation Coordination Staff, Region III
Lisamarie Jarriel	Agency Allegations Advisor, Office of Enforcement
Patrick Loudon	Chief, Branch 5, Division of Reactor Projects
Robert Krsek	Senior Resident Inspector, Point Beach
Gregory Gibbs	Resident Inspector, Point Beach
Michael Kunowski	Project Engineer, Division of Reactor Projects

Public

David Lochbaum	Director, Nuclear Safety Project, Union of Concerned Scientists (via telephone)
Daniel Horner	McGraw Hill Nuclear Publications (via telephone)
Billie Pirner Garde	Attorney-at-Law, Clifford and Garde



# Point Beach Nuclear Plant

Enclosure 2

*SAFETY CULTURE UPDATE*

March 23, 2006



# Picture of Excellence

## Implementing Change

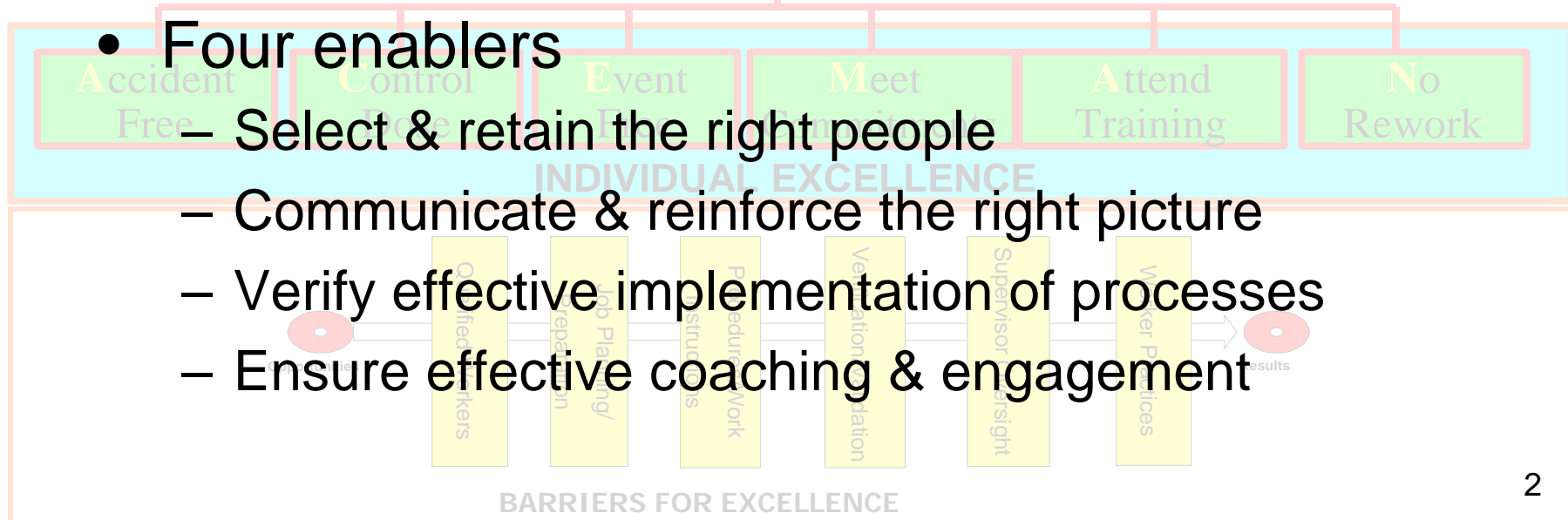


- Improve and sustain improvements

- Change organization culture
- Change behaviors
- Achieve consistent & fair reinforcement

- Four enablers

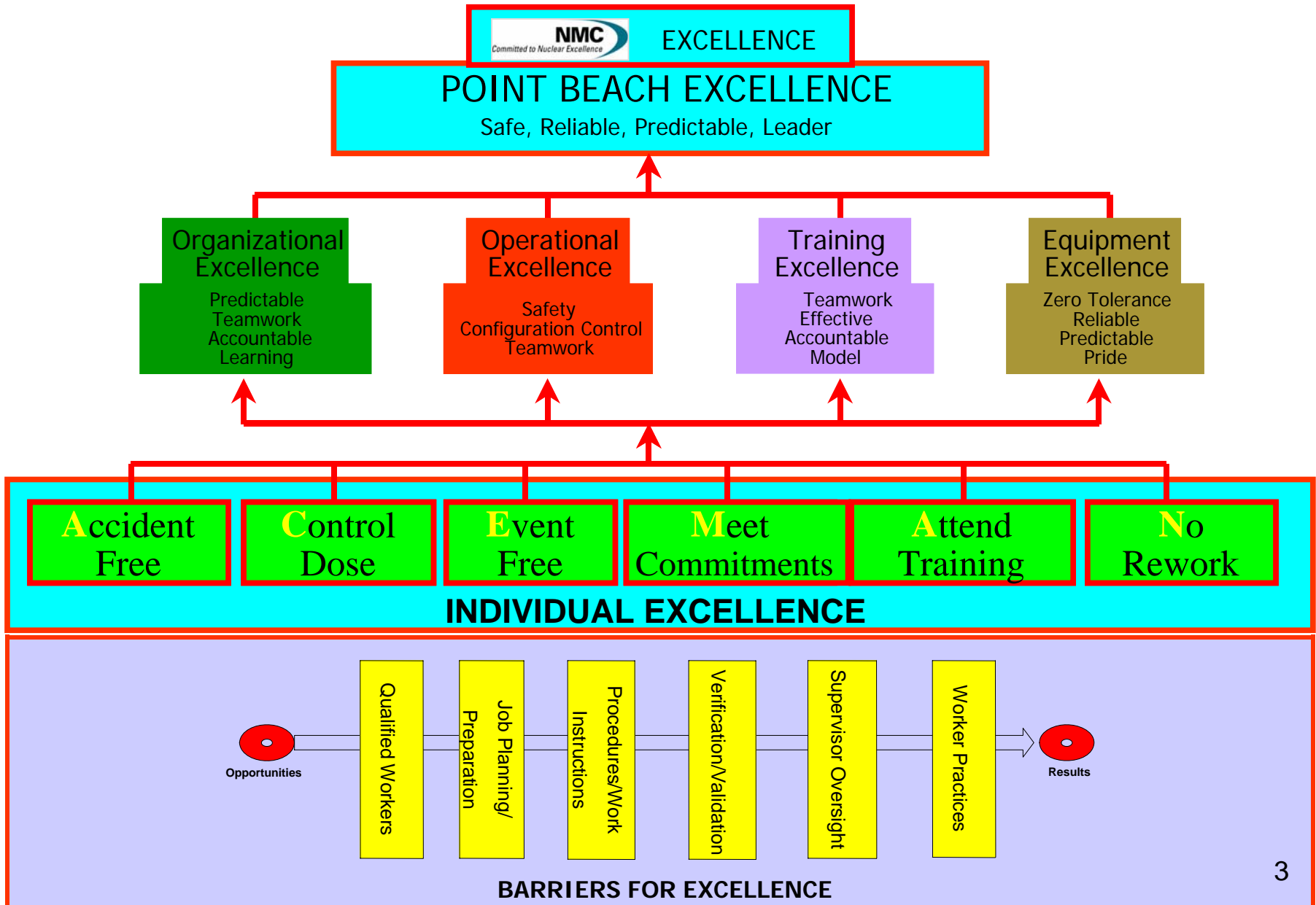
- Select & retain the right people
- Communicate & reinforce the right picture
- Verify effective implementation of processes
- Ensure effective coaching & engagement





# Picture of Excellence

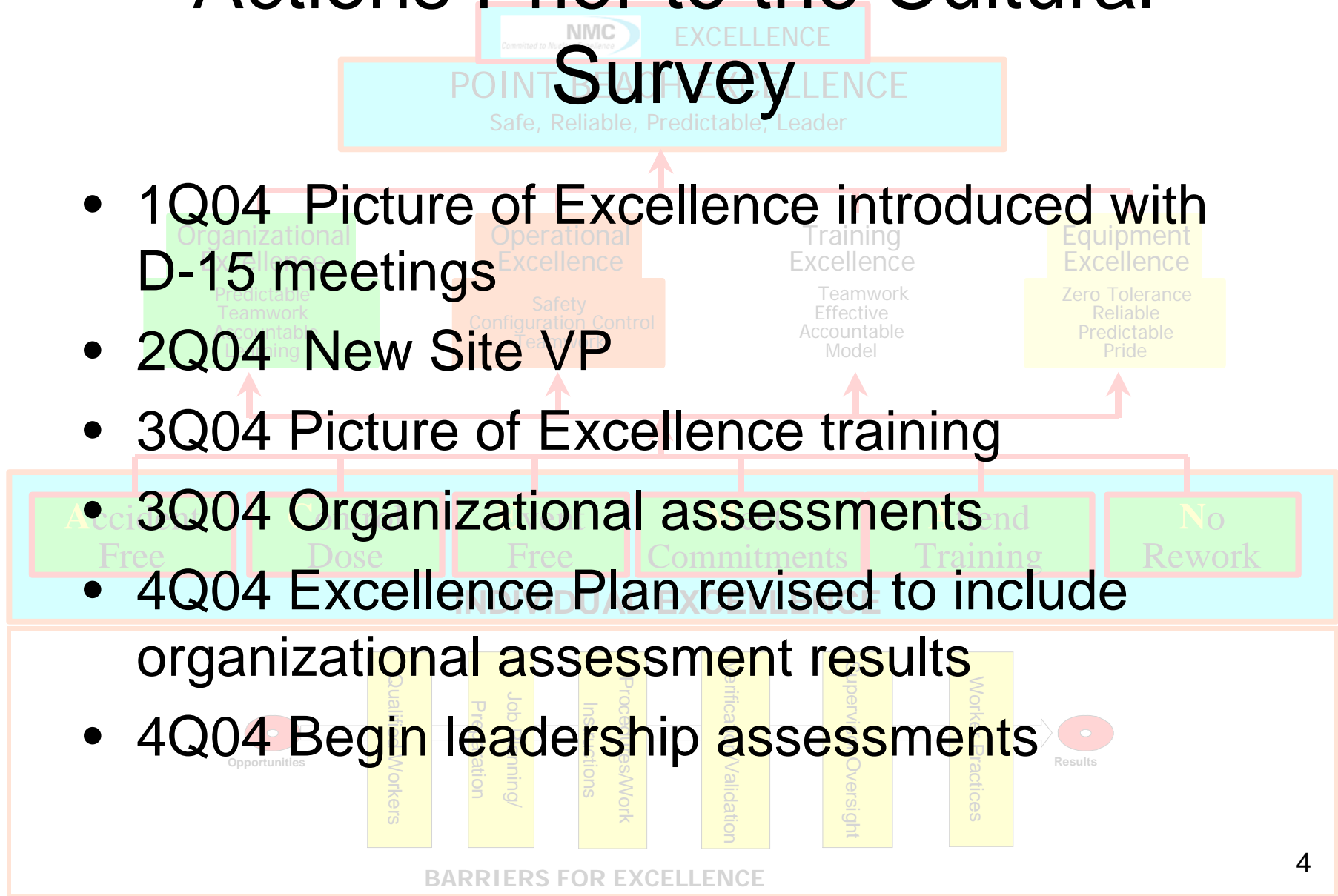
Enclosure 2



# Picture of Excellence

## Actions Prior to the Cultural Survey

- 1Q04 Picture of Excellence introduced with D-15 meetings
- 2Q04 New Site VP
- 3Q04 Picture of Excellence training
- 3Q04 Organizational assessments
- 4Q04 Excellence Plan revised to include organizational assessment results
- 4Q04 Begin leadership assessments



## Response to Assessments

- Safety Culture Survey confirmed results of Organizational assessments
- Excellence Plan

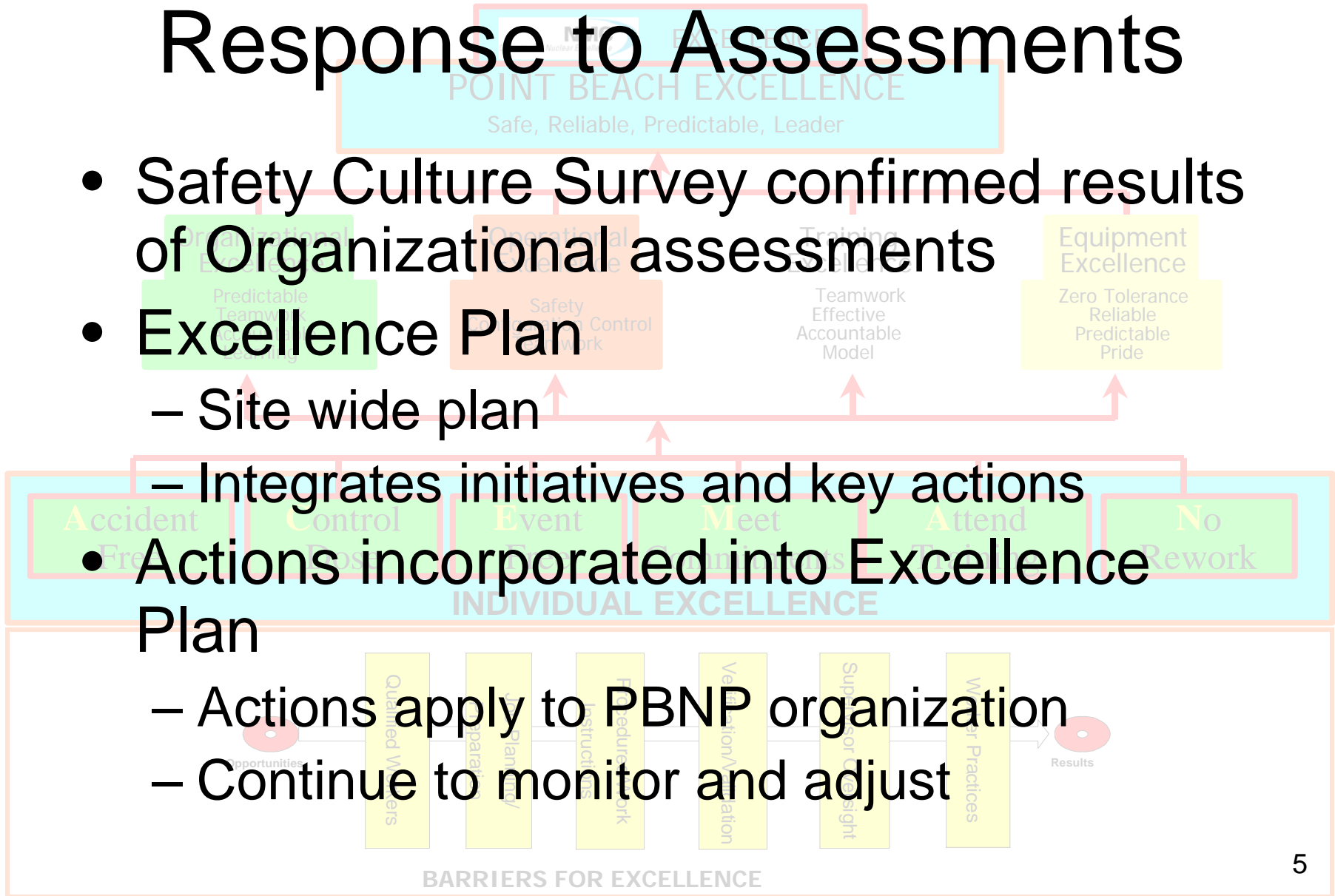
- Site wide plan

- Integrates initiatives and key actions

- Actions incorporated into Excellence Plan

- Actions apply to PBNP organization

- Continue to monitor and adjust



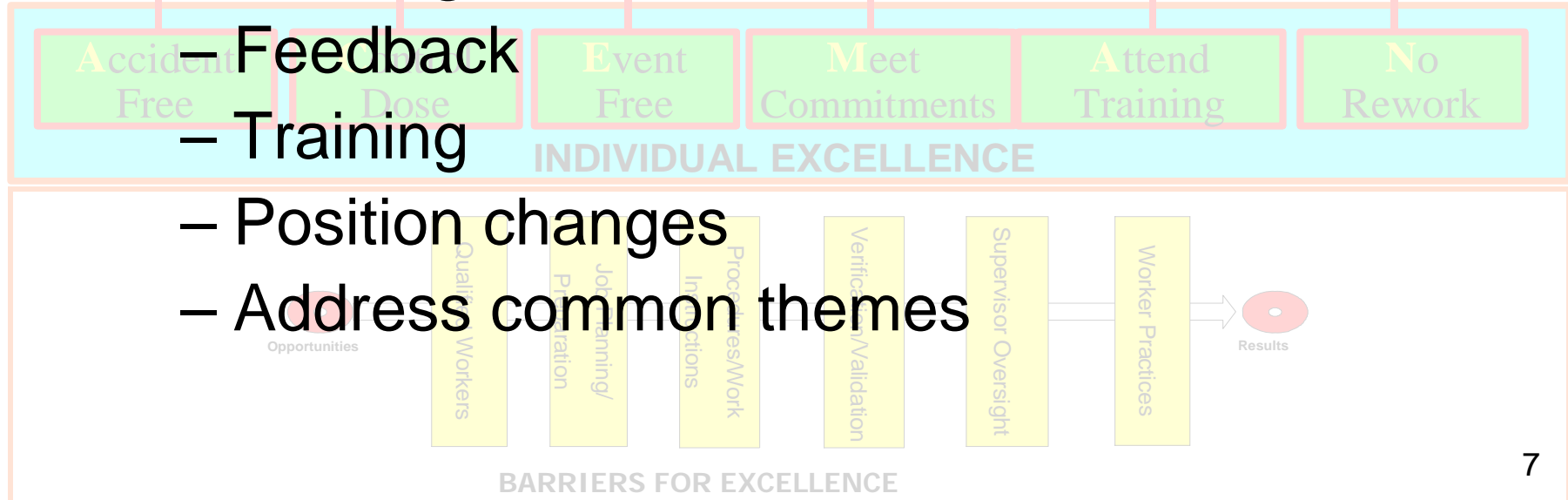
# Overview of Continuing Actions

- Select & retain the right people
  - Conduct Leadership assessments
  - Act on results of leadership assessments
- Verify effective implementation of processes
  - Site Performance Index
  - CAP implementation improvements & performance indicators
  - ODMI process
  - 6 month assessments
  - Improve Plant Health Committee
  - Improve PMP process
  - Improve PARB
  - Establish DRUM process
  - Management Review Meetings
- Communicate & reinforce the right picture
  - Daily reinforcement of ACEMAN & Picture of Excellence
  - D-15 meetings
  - Feedback results of leadership assessments
  - Leadership handbook & associated training
  - Leadership development meetings
  - All-hands meetings
- Effective coaching & engagement
  - MARC process
  - Human performance jamboree
  - Training on Nuclear Safety Culture Policy
  - Leadership Development Training
  - Taking Action training

# Picture of Excellence

## Select & Retain the Right People

- Leadership Assessments
  - Included supervisors and above
  - Completed in January 2006
- Resulting actions



# Picture of Excellence

## Right Processes – Verify Effective Implementation

- Site Performance Index
- Implemented Operational Decision Making Issue Evaluation Process
  - Multi-discipline, multi-level operational decision making process
- Corrective Action Program improvements & performance indicators
- Department Roll Up Meeting Process trending
- Plant Health Committee improvements
- Management Review Meetings

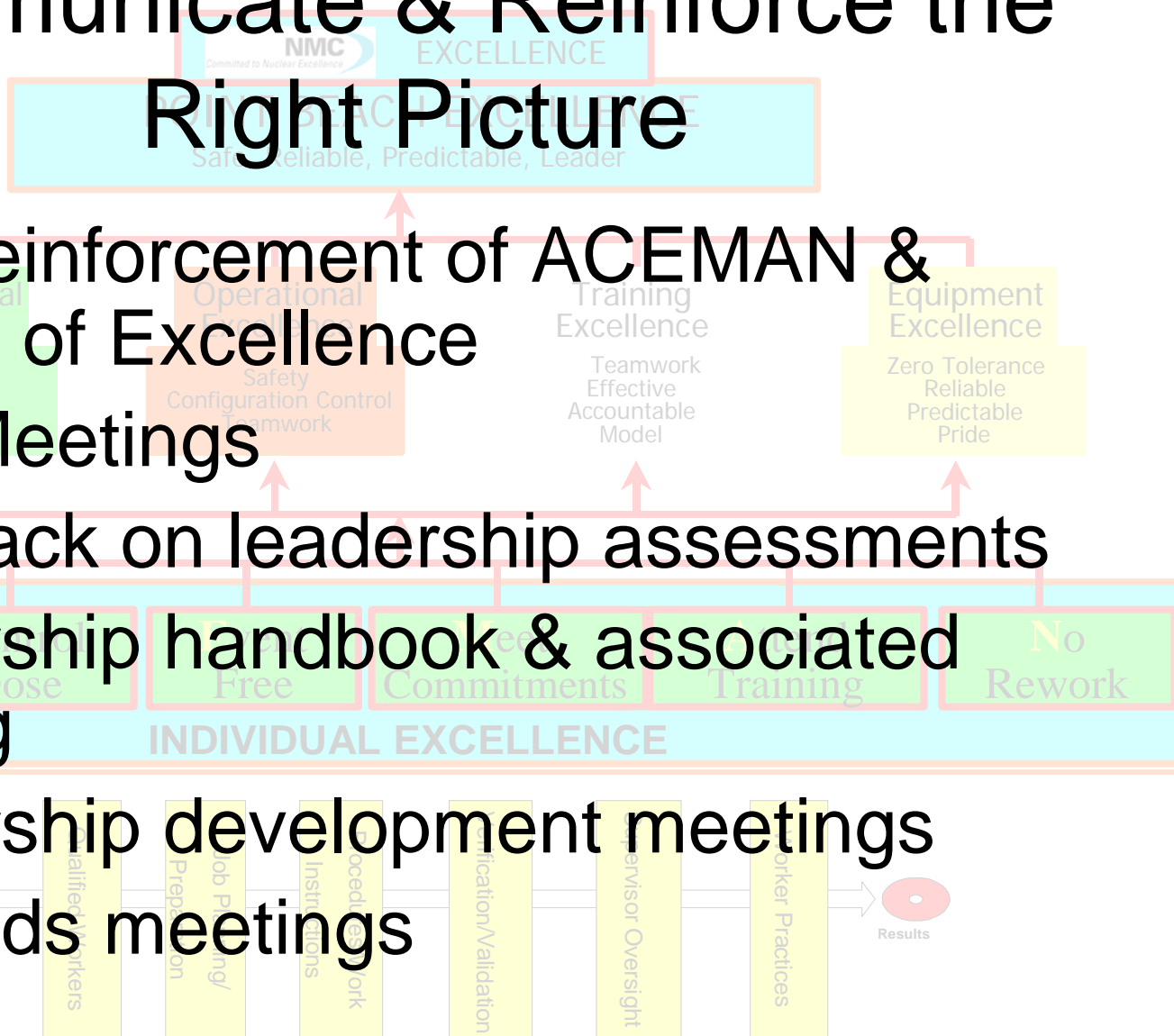
# Picture of Excellence

## Communicate & Reinforce the Right Picture

- Daily reinforcement of ACEMAN & Picture of Excellence
- D-15 Meetings
- Feedback on leadership assessments

- Leadership handbook & associated training

- Leadership development meetings
- All-hands meetings



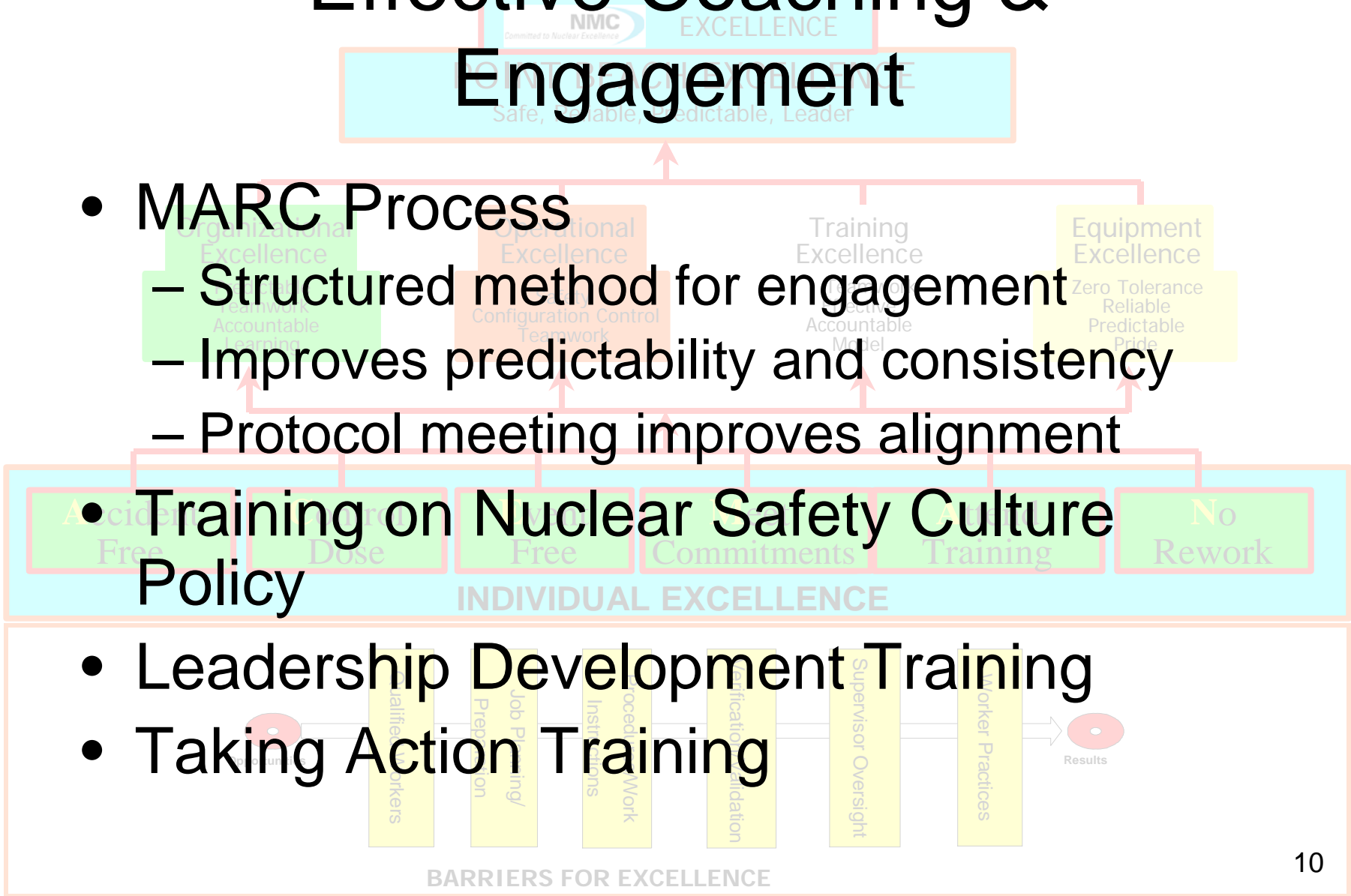
# Picture of Excellence

## Effective Coaching & Engagement

- MARC Process
  - Structured method for engagement
  - Improves predictability and consistency
  - Protocol meeting improves alignment

- Training on Nuclear Safety Culture Policy

- Leadership Development Training
- Taking Action Training

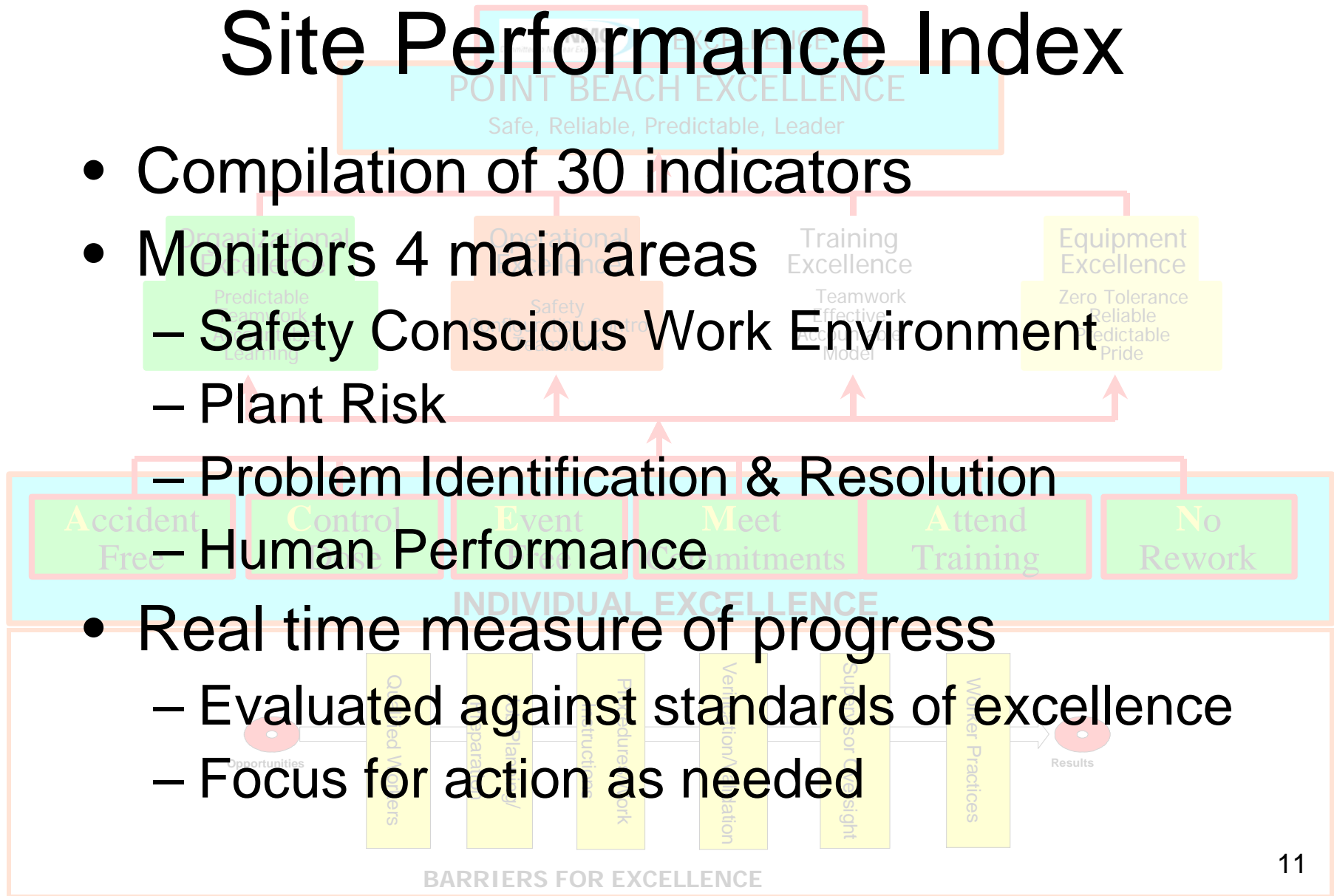




# Picture of Excellence

## Site Performance Index

- Compilation of 30 indicators
- Monitors 4 main areas
  - Safety Conscious Work Environment
  - Plant Risk
  - Problem Identification & Resolution
  - Human Performance
- Real time measure of progress
  - Evaluated against standards of excellence
  - Focus for action as needed

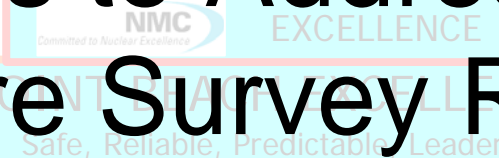


# Site Performance Index Elements

- Safety Conscious Work Environment
  - My supervisor values a questioning attitude
  - My supervisor treats me with dignity & respect
  - I am comfortable raising issues to my supervisor without fear of retaliation
- Problem Identification & Resolution
  - Corrective Action Program Initiation Rate
  - Trends
  - Root Cause Evaluation Quality
  - Apparent Cause Evaluation Quality
  - Backlog of CAPs
  - Backlog of Open Actions
  - Activities Extended
  - Screen Team Effectiveness
  - CAP Regulatory Effectiveness
  - Self Assessment Quality
- Plant Risk
  - Operator Burdens
  - System Health Assessments
  - Reactivity Management
  - Unplanned LCOs
  - Corrective Maintenance Backlog
  - Elective Maintenance Backlog
  - Preventive Maintenance Backlog
- Human Performance
  - HU Regulatory Effectiveness
  - Site Event Clock Reset Rate
  - Maintenance Avoidable Rework
  - Radiological Deficiencies
  - Personnel Contamination Events
  - Training Program Effectiveness
  - Security Loggable Events
  - Valve Mispositionings
  - Industrial Safety - OSHA Recordables
  - Procedure Change Request Backlog

# Picture of Excellence

## Initiatives to Address Safety Culture Survey Results

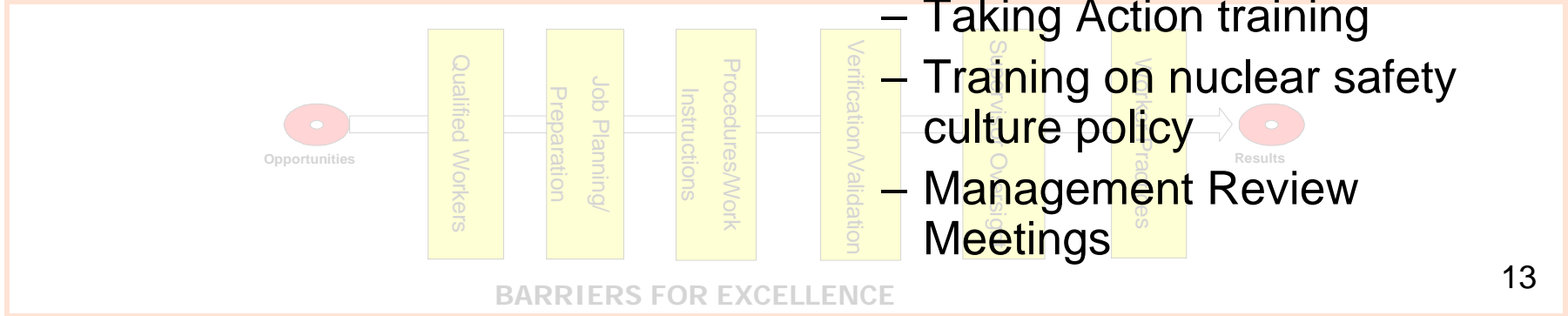


### • Survey Results

- Leadership effectiveness
  - Trust & Confidence in Site Management
  - Trust and Mutual Respect between Management and the Workforce

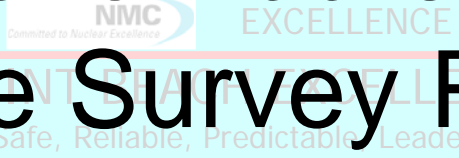
### • Initiatives

- Leadership assessments
- Resulting actions from leadership assessments
- Feedback results of leadership assessments
- MARC process
- Leadership development training
- Taking Action training
- Training on nuclear safety culture policy
- Management Review Meetings



# Picture of Excellence

## Initiatives to Address Safety Culture Survey Results



### • Survey Results

#### – CAP effectiveness

- Overall Effectiveness of the Corrective Action Program
- Effective Resolution of identified Nuclear Safety issues
- Timely Resolution of identified Nuclear Safety issues

#### – Communications effectiveness

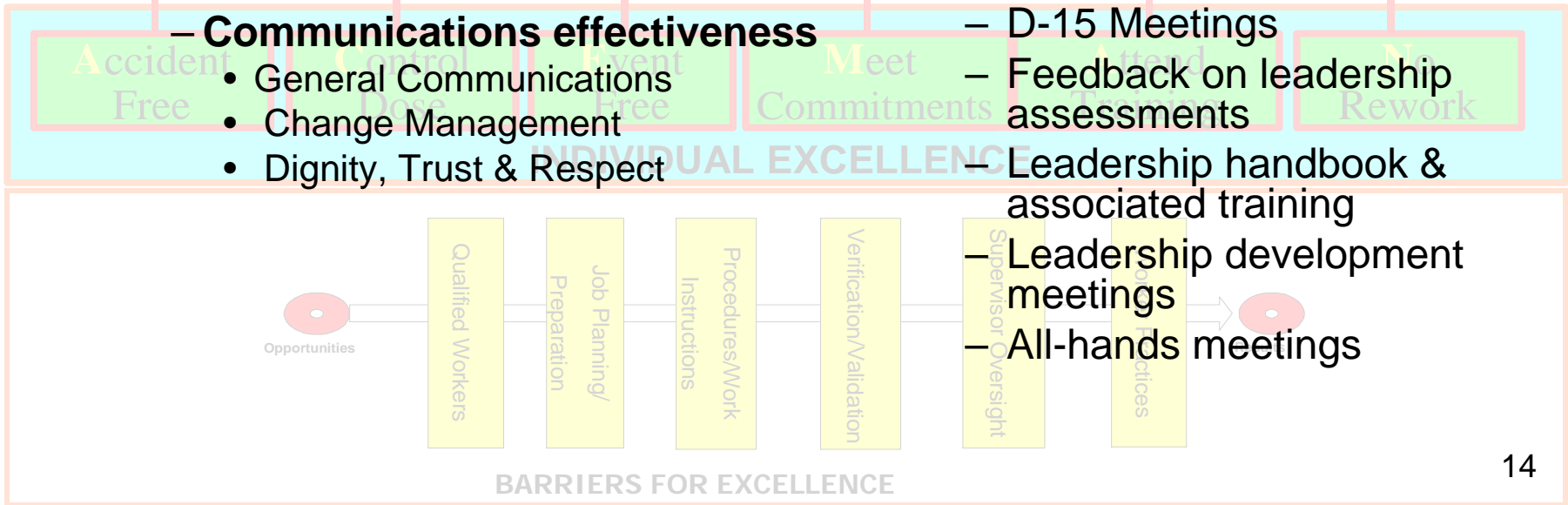
- General Communications
- Change Management
- Dignity, Trust & Respect

### • Initiatives

- CAP improvements & performance indicators
- Establish DRUM process
- Site performance index

- D-15 Meetings
- Feedback on leadership assessments

- Leadership handbook & associated training
- Leadership development meetings
- All-hands meetings



# Picture of Excellence

