April 14, 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: CONFIRMATORY ACTION LETTER CAL 3-04-001, REVISION 1

Dear Mr. Koehl:

The Point Beach Nuclear Plant was placed in the Multiple/Repetitive Degraded Cornerstone column (Column IV) of the Nuclear Regulatory Commission's (NRC) Action Matrix during the first quarter of 2003 as a result of a Red finding for Unit 1 and Unit 2 associated with the auxiliary feedwater and instrument air systems, and a Yellow finding for Unit 1 and a Red finding for Unit 2 associated with the potential failure of the auxiliary feedwater pumps due to recirculation line orifice plugging. As a result of these findings, the NRC performed an Inspection Procedure (IP) 95003 supplemental inspection in 2003. Following the issuance of the IP 95003 report on February 4, 2004, you developed actions to improve station performance to address the original Red and Yellow findings and other findings and performance issues identified in the IP 95003 inspection. Your improvement efforts were developed and incorporated in the Point Beach Excellence Plan. After reviewing the plan and meeting with Nuclear Management Company (NMC) officials on March 15, 2004, the NRC issued the subject Confirmatory Action Letter, CAL 3-04-001, to NMC on April 21, 2004, (ADAMS Accession Number ML041130447).

The Confirmatory Action Letter documented the steps of the Excellence Plan that NMC committed to complete and the intent of the NRC to conduct periodic inspections, in addition to the normal baseline program inspections, to assess the status and confirm the effectiveness of these steps. The NRC had categorized these steps in five Areas of Regulatory Concern: Human Performance, Engineering Design Control, Engineering/Operations Interface, Emergency Preparedness, and Corrective Action Program. In our letter to you dated September 6, 2005, (ADAMS ML052500290), we stated that our inspections, to date, had indicated that the actions taken by NMC in the Engineering/Operations Interface and Emergency Preparedness Areas of Regulatory Concern were adequate and met the commitments in CAL 3-04-001. Furthermore, we stated that the actions taken in these two areas had established reasonable assurance of sustainability. Consequently, we conducted no further review of these two areas other than that which occurred during the normal baseline program inspections.

To assess the remaining three Areas of Regulatory Concern (Engineering Design Control, Human Performance, and Corrective Action Program), we used the results of the inspections listed in the enclosure to this letter. These results, and our findings and observations in previous inspections, indicate that actions taken by NMC in the Human Performance Area of Regulatory Concern were adequate and met the commitments in CAL 3-04-001, and were considered to be effective. Furthermore, the actions taken in this area have established reasonable assurance of sustainability. Consequently, we plan no further review of this area other than normal baseline program inspections. In the 2005 Annual Assessment Letter, dated March 2, 2006, (ADAMS ML060620046), we informed you of our decision to close the human performance substantive cross-cutting issue.

For the Corrective Action Program Area of Regulatory Concern, we also concluded that actions and observations taken by NMC had met the commitments in CAL 3-04-001, and were considered to be effective. The actions taken by NMC to meet the commitments have adequately addressed the findings and observations identified by the NRC of the Point Beach Corrective Action Program during the IP 95003 supplemental inspection conducted in 2003 following the identification of the Red inspection findings (Inspection Report 05000266/2003007; 05000301/2003007, ADAMS ML040360104). Additionally, you committed in a letter, dated February 10, 2006, to conduct assessments of the Corrective Action Program performance every 6 months for the next 2 years, with the assessments alternately being independent (outside of NMC) assessments and self-assessments. The first assessment will be an independent assessment and will be completed by September 1, 2006. While some weaknesses have been identified in causal evaluations and the implementation of corrective actions, based on your overall progress in this area, the results of a recent Problem Identification and Resolution (PI&R) inspection, and your commitment to conduct independent and self-assessments in the future, the Agency is satisfied with your understanding of the actions necessary for continued improvements and your scope of efforts in the Corrective Action Program Area of Regulatory Concern. Accordingly, we have concluded that the actions taken in this area have established reasonable assurance of sustainability. Therefore, we plan to monitor this area through baseline program inspections including an additional PI&R inspection and additional inspections focused on the effectiveness of your assessment activities (as provided for in the Reactor Oversight Process). In the 2005 Annual Assessment Letter, dated March 2, 2006, (ADAMS ML060620046), we informed you of our decision to close the problem identification and resolution substantive cross-cutting issue.

For the Engineering Design Control Area of Regulatory Concern, our inspections have established that many of the original commitments in the April 2004 CAL were met. However, further NRC review of the Engineering Design Control Area of Regulatory Concern is warranted in order to assure that your actions taken in this CAL area are effectively implemented and a reasonable assurance of sustainability can be demonstrated. Indications that further review is warranted include: extensions of the completion dates of the calculation reconstitution project (ADAMS ML060740680); our findings and observations from the inspections listed in the enclosure to this letter and from other inspections conducted; and specific engineering related questions raised in the latter half of 2004, in 2005, and in 2006. As a follow-up action to discussions of a self-assessment of the engineering program at the public meeting on

February 2, 2006, you made two commitments regarding the program in a letter to the NRC, dated February 10, 2006, (ADAMS ML060440285). Specifically, these commitments were:

(1) incorporation into the Point Beach Excellence Plan of long-term improvement actions which resulted from a recent engineering assessment, as discussed at the February 2, 2006, public meeting; and

(2) assessments of the performance of engineering every 6 months for the next 2-year period, with the assessments alternately being independent (outside of NMC) assessments and self-assessments. The first assessment will be an independent assessment and will be completed by August 1, 2006.

Your efforts to meet these two commitments will be reviewed during baseline inspection activities, through additional inspections to evaluate the effectiveness of your assessments, and in an expanded-scope Component Design Bases team inspection, currently scheduled for August-September 2006. In addition, we will continue to review your progress in upgrading safety-related calculations throughout the aforementioned activities.

Finally, this letter revises the April 21, 2004, Confirmatory Action Letter to close four of the five Areas of Regulatory Concern. The Engineering Design Control Area, and this revised Confirmatory Action Letter, will remain open pending a satisfactory review by the NRC of, at least, the initial implementation of the engineering assessment commitments, continued progress in the calculation upgrade project, and effectiveness of previous improvement initiatives and corrective actions in engineering. Specifically, the NMC needs to demonstrate the ability to understand and recognize complex engineering questions/problems. These matters then need to be dispositioned in an accurate and comprehensive manner, taking into account all relevant design and licensing basis information and reaching a sound, justified conclusion without the need for extensive NRC involvement. As we determined in the Inspection Procedure 95003 inspection, engineering and design control weaknesses were found to be the root causes of the Red finding associated with the auxiliary feedwater and instrument air. As a result, it will be necessary for NMC to demonstrate sustained improvements in the Engineering Design Control Area prior to the NRC closing these two Red findings.

When the NRC has concluded that your actions in the Engineering Design Control Area have established reasonable assurance of sustainability, we will evaluate whether the Red findings will be closed and whether Point Beach will remain in Column IV of the NRC's Action Matrix.

Pursuant to Section 182 of the Atomic Energy Act, 42 U.S.C. 2232, you are required to:

(1) Notify me immediately if your understanding differs from that set forth above;

(2) Notify me in writing, if for any reason, you cannot complete the actions within the specified schedule in your March 31, 2005, and February 10, 2006, letters, and advise me in writing of your modified schedule in advance of the change;

(3) Notify me in writing if you intend to change, deviate from, or not complete any of the actions documented in your letters, prior to the change or deviation; and

(4) Notify me in writing of the status of your actions by July 31, 2006.

Issuance of the revised Confirmatory Action Letter does not preclude issuance of an order formalizing the above commitments or requiring other actions on the part of NMC, nor does it preclude the NRC from taking enforcement action for violations of NRC requirements that may have prompted the issuance of this letter. In addition, failure to take the actions addressed in the revised Confirmatory Action Letter may result in enforcement action.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and any responses you provide will be made 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), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).

Sincerely,

/RA/

James L. Caldwell
Regional Administrator

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

Enclosures:
1. Listing of Inspections to Review CAL Commitments
2. Letter from NMC to NRC, dated March 22, 2004
3. Letter from NMC to NRC, dated March 31, 2005
4. Letter from NMC to NRC, dated February 10, 2006

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(3) Notify me in writing if you intend to change, deviate from, or not complete any of the actions documented in your letters, prior to the change or deviation; and

(4) Notify me in writing of the status of actions by July 31, 2006.

Issuance of the revised Confirmatory Action Letter does not preclude issuance of an order formalizing the above commitments or requiring other actions on the part of NMC, nor does it preclude the NRC from taking enforcement action for violations of NRC requirements that may have prompted the issuance of this letter. In addition, failure to take the actions addressed in the revised Confirmatory Action Letter may result in enforcement action.

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Sincerely,

/RA/

James L. Caldwell
Regional Administrator

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DATE	04/11/2006		04/14/2006		04/14/2006			

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Inspections Completed to Review CAL Commitments

Special engineering team inspection, conducted July 25 to August 24, 2005. Inspection Report (IR) 05000266/2005011; 05000301/2005011. Areas of Regulatory Concern reviewed: Engineering Design Control, Engineering/Operations Interface, and Corrective Action Program. ADAMS Accession Number ML052690183.

Expanded-scope Problem Identification and Resolution team inspection, conducted September 12 to October 6, 2005. IR 05000266/2005012; 05000301/2005012. Area of Regulatory Concern reviewed: Corrective Action Program. ADAMS Accession Number ML053200120.

Combined baseline team inspection of Evaluation of Changes, Tests, or Experiments and Permanent Plant Modifications, conducted December 12 to 16, 2005. IR 05000266/2005018; 05000301/2005018. Areas reviewed: Engineering and Corrective Action Program. ADAMS Accession Number ML060240610.

3rd Quarter 2005 resident inspector integrated inspection, conducted July 1 to September 30, 2005. IR 05000266/2005010; 05000301/2005010. Areas reviewed: Engineering and Corrective Action Program. ADAMS Accession Number ML053000237.

4th Quarter 2005 resident inspector integrated inspection, conducted October 1 to December 31, 2005. IR 05000266/2005013; 05000301/2005013. Areas reviewed: Engineering and Corrective Action Program. ADAMS Accession Number ML060410620.

NMC
Committed to Nuclear Excellence

Point Beach Nuclear Plant
Operated by Nuclear Management Company, LLC

March 22, 2004

NRC 2004-0030

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

Point Beach Nuclear Plant, Units 1 and 2
Dockets 50-266 and 50-301
License Nos. DPR-24 and DPR-27
Commitments In Response to 95003 Supplemental Inspection

Reference: 1) Letter from Nuclear Regulatory Commission to Nuclear Management Company, LLC dated February 4, 2004, transmitting Inspection Report 05000266/2003007; 05000301/2003007 EA-02-031, EA-03-057, EA-03-059, EA-03-181
2) Letter from Nuclear Management Company, LLC (NMC) dated February 13, 2004, Submitting NMC Commitments in Response to 95003 Supplemental Inspection

On March 15, 2004, a public meeting was held at the Nuclear Regulatory Commission (NRC) Region III offices in Lisle, IL. The purpose of this meeting was to formally review the contents of the NMC submittal to the NRC dated February 13, 2004 (Reference 2) that transmitted NMC commitments in Response to the 95003 supplemental inspection (Reference 1).

It was concluded that additional clarification of some of the commitments is necessary to remove ambiguity and to ensure that the commitments are clearly understood. Accordingly, the updated commitment listing contained in the enclosure to this letter is provided. The attached updated commitment list supersedes in total the commitment list provided in our February 13, 2004, letter.

Summary of Commitments

The updated NMC commitments are provided in Enclosure 1.

Gary D. Van Middlesworth
Site Vice-President, Point Beach Nuclear Plant
Nuclear Management Company, LLC

Enclosure

cc: Regional Administrator, Region III, USNRC
Project Manager, Point Beach Nuclear Plant, USNRC
Resident Inspector - Point Beach Nuclear Plant, USNRC

6590 Nuclear Road • Two Rivers, Wisconsin 54241
Telephone: 920.755.2321

IE01

Enclosure 2

bcc:

G. D. Van Middlesworth	J. W. Connolly (3)	D. E. Cooper
M. E. Holzmann	F. D. Kuester(P460)	
J. H. McCarthy	L. A. Schofield (OSRC)	P. Russell
J. G. Schweitzer	R. C. Milner	D. F. Johnson
D. A. Weaver (P346)	E. J. Weinkam III	File

Enclosure 2

ENCLOSURE 1

Updated Commitments
In Response to 95003 Supplemental Inspection

27 Pages Follow

FOCUS AREA: Human Performance				
Action Plan: OR-01-001	**Title: Improve Human Performance and Work Practices**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Human Performance infrastructure is established to facilitate improved station performance	OR-01-001.22	This Action Plan provides the infrastructure to improve human performance at PBNP. This plan is complemented by Action Plans OR-01-004 and OR-08-005, which are intended to improve individual behaviors and accountability. Action Plan OR-08-005 was developed to provide additional focus to Human Performance issues in Engineering. Steps were taken to enhance the infrastructure for improving human performance at PBNP. These infrastructure enhancements have included procedure revisions, formation of a Human Performance Improvement Team, implementation of the PACE program, that provides a structured method for tracking job observations, and the assignment of Human Performance Improvement Team members in each work group. The PBNP site observation program and the electronic database used to administer the program are implemented by procedure NP 13.6.1	1Q05	• Site human performance event clock is $\geq$36 days based on rolling 12-month average • $\leq$2 human performance LERs in 12-month rolling period • Effectiveness review specified in Step OR-01-001.22

Action Plan: OR-01-004	**Title: Individual Behavior Excellence**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
A PBNP "Picture of Excellence" is developed to require individual behaviors and accountability necessary to sustain performance improvement	OR-01-004.1 OR-01-004.24	Action steps to meet this plan objective include communicating and reinforcing the "Picture of Excellence" to improve accountability and individual behaviors. Action steps to meet this plan objective are to validate the "Picture of Excellence" and revise the PBNP Human Performance Program to include requirements consistent with the "Picture of Excellence."	2Q04	• Documented "Picture of Excellence" • Revised procedure NP 1.1.10 consistent with "Picture of Excellence"

Action Plan: OR-01-004	Title: Individual Behavior Excellence			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
The PBNP "Picture of Excellence" is communicated to PBNP employees and the workforce is briefed on the application of and expectations for the program	OR-01-004.3 OR-01-004.4 OR-01-004.6 OR-01-004.8 OR-01-004.9 OR-01-004.10 OR-01-004.11	Site Management will use the steps associated with this objective to introduce the "Picture of Excellence" principles to PBNP employees.	2Q04	• Completed attendance sheets at workforce briefings
Infrastructure and tools required to execute and reinforce the "Picture of Excellence" are established	OR-01-004.2 OR-01-004.5 OR-01-004.7 OR-01-004.10 OR-01-004.12 OR-01-004.13 OR-01-004.14 OR-01-004.15 OR-01-004.16 OR-01-004.17 OR-01-004.26 OR-01-004.28 OR-01-004.34 OR-01-004.35	Site Management will use the steps associated with this objective to communicate the infrastructure and tools required to ensure that the "Picture of Excellence" is established. The steps taken include the development of a database to monitor human performance, incorporation of ACEMAN into daily plan of the day management meeting, implementation of a daily meeting (D-15) between plant supervisors and individual contributors to communicate about a variety of issues, including human performance. This will be the initial communication of the "Picture of Excellence." Additional actions to improve the implementation of ACEMAN at PBNP include developing a daily communications publication and an ACEMAN observation program.	3Q04	• D-15 meetings implemented and monitored using a communications survey • ACEMAN job observation card implemented • ACEMAN rating system employed at POD and Production meetings • NOS assessment of ACEMAN implementation (Step OR-01-004.28)

Action Plan: OR-01-004	Title: Individual Behavior Excellence			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Tools to monitor effectiveness of and recognize "Picture of Excellence" program successes are established	OR-01-004.18 OR-01-004.19 OR-01-004.20 OR-01-004.22 OR-01-004.27 OR-01-004.33 OR-01-004.36	Site management will use the steps associated with this objective to monitor the effectiveness of the actions to implement the "Picture of Excellence" program.	1Q05	• Manager job observations conducted to assess ACEMAN implementation and effectiveness (>30 manager observations of the ACEMAN program per month) • ACEMAN indicators reviewed at monthly Management Review Meetings • Effectiveness review of ACEMAN program (Step OR-01-004.36)
ACEMAN is effectively used to improve performance of station personnel	OR-01-004.36	PBNP will conduct an effectiveness review of the completed actions taken in this focus area (Human Performance). This review will include a review of the identified performance indicators to determine whether the focus area objectives have been met and whether improvements in this focus area are sustainable.	1Q05	• Site human performance event clock is ≥36 days based on a rolling 12-month average • ≤2 human performance LERs in 12-month rolling period • Effectiveness review of ACEMAN program (Step OR-01-004.36)

FOCUS AREA: Engineering Organizational Effectiveness				
Action Plan: OR-08-005	**Title: Improve Human Performance in Engineering**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Communicate expectations and provide human performance tools to improve Engineering performance	OR-08-005.13 OR-08-005.17	Actions taken to improve human performance in the Engineering group include: (1) An engineering Human Performance Improvement Team has been formed to improve human performance, (2) Engineering personnel have been trained on human performance topics, (3) Management has established a process for identifying, evaluating, and communicating human performance events to Engineering personnel, (4) An engineering-specific observation and coaching program has also been implemented. Additional human performance training for engineers is being conducted. Step OR-08-005.17 solicits post-training feedback to determine whether the training has been effectively communicated.	3Q04	• Training attendance records
Achieve an improving trend in the Engineering Event Clock performance indicator	OR-08-005.14 OR-08-005.19	Steps have been included in this action plan to further strengthen the effective use of human performance improvement tools in Engineering.	1Q05	• Improving trend in the Engineering event clock performance indicator with a goal of >10 days per rolling 12-month period • Effectiveness review (Step OR-08-005.19)

FOCUS AREA: Oversight & Assessment				
Action Plan: OR-02-001	**Title: Nuclear Oversight Assessment**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Improve NOS staffing effectiveness by implementing a rotation policy, assigning assessors to maintain functional area cognizance, and completing the personnel qualification matrix tool	OR-02-001.2.A.1 OR-02-001.2.B OR-02-001.2.C	This action plan is intended to improve the effectiveness of the Nuclear Oversight (QA) organization in identifying problems and escalating significant issues. Action steps to achieve this objective are to assign assessors to functional areas, implement a rotation policy and implement a training plan to address staff developmental needs. The rotation policy has been developed and issued. Training and developmental needs have been identified. The functional area assignments remain to be performed. The personnel qualification matrix will be used as a guide to assign personnel to assessment activities. A preliminary list of individual functional area assignments has been developed.	3Q04	• Rotation policy implemented • Assessors assigned to functional areas • Qualification matrix tool completed
NOS is effective in communicating significant issues to Site Management	OR-02-001.4	Development of the intrusiveness methodology procedure is in progress. The intrusiveness methodology procedure uses the problem development process as a format for developing and determining issue significance.	2Q04	• Intrusive methodology procedure issued
NOS is effective in assuring management response QA findings	OR-02-001.7.C	The method for statusing and reporting NOS QA findings has been developed. The NOS staff and station management have been briefed on this process.	1Q04	• Methodology implemented

Action Plan: OR-02-001	Title: Nuclear Oversight Assessment			
Implement integrated assessment of performance	OR-02-001.6	A change management plan was developed to implement an integrated assessment of performance. Three exit meetings have been conducted. NMC continues to refine the process using the fleet standard for the NOS portion of the exit meeting.	3Q04	• Process implemented as exhibited by: ▪ Process developed ▪ Incorporate scoring in NOS quarterly exit meetings
NOS is effective in identifying major weaknesses within the PBNP organization, ensuring problems are resolved, and ensuring timely implementation of corrective actions to address findings	OR-02-001.7.E	This action step ensures that the actions taken by NOS to improve performance have been effective. An assessment (PBSA-03-03) of NOS conducted in June 2003 identified two programmatic findings. These findings included: (1) Nuclear Oversight and line organizations have not established the "effective disciplined partnership" implied by the PBNP Picture of Excellence, and (2) Nuclear Oversight-identified issues do not consistently communicate underlying problems (causes and contributors) and their associated risks. A planned follow-up assessment (Step OR-02-001.7.E) will assess if these findings have been effectively corrected. In addition, as part of the Step OR-02-001.7E effectiveness review, an assessment will be made of Nuclear Oversight's effectiveness in identifying major weaknesses within the PBNP organization, ensuring timely implementation of corrective actions and effectiveness in ensuring problems are resolved.	4Q04	• Planned independent assessment (Step OR-02-001.7.E) identifies no programmatic repeat findings from the June 2003 assessment (PBSA-03-03) • Improving trend in age of QA findings, such that no more than 3 QA findings are greater than 180 days old and this goal is sustained for >6 months

ENGINEERING / OPERATIONS INTERFACE

FOCUS AREA: Engineering Organizational Effectiveness				
Action Plan: OR-08-007	**Title: Utilize the Quality Review Team**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Improve the quality of Engineering products	OR-08-007.4	PBNP site management directed the formation of a Quality Review Team (QRT) in 4Q02. The team selects a sample of engineering products and grades the quality of work. Feedback is provided via the CAP to the responsible engineer for products that require rework.	1Q05	• QRT-directed rework averaged over 6-month period ≤15% • Effectiveness Review (Step OR-08-007.4)

Action Plan: OR-08-015	Title: Establish an Engineering Safety & Design Review Group			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Improve quality of Engineering products	OR-08-015.6 OR-08-015.7	In addition to the Quality Review Team, an Engineering Safety and Design Review Group (ESDRG) has been established to improve the quality of engineering products. The ESDRG conducts in-line independent review of engineering products.	1Q05	• Effectiveness Review (Step OR-08-015.7)

FOCUS AREA: Training Organizational Effectiveness				
Action Plan: TR-18-002	**Title: ESP Training**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
A qualified Engineering workforce supports station priorities and schedules	TR-18-002.11	Actions have been taken to revise the Engineering Support Personnel (ESP) training program. These actions include: 1) a job analysis for the ESP population to identify the core qualifications required for each position has been completed; 2) a workdown curve for each engineer to complete all required qualifications has been developed; 3) new Training Advisory and Curriculum Review Committees have been established; 4) site policy on training attendance has been established and training attendance expectations reinforced.	1Q05	• Effectiveness review (Step TR-18-002.11)

FOCUS AREA: Engineering Organizational Effectiveness				
Action Plan: OR-08-017	**Title: Operations and Engineering Interface**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Improve the interface between Operations and Engineering to ensure that the station priorities are reflective of actions necessary for achievement of equipment excellence	OR-08-017.1 OR-08-017.2 OR-08-017.4 OR-08-017.5 OR-08-017.6	This new plan focuses on improvement activities that reside in other Excellence Plan Action Plans, including implementation of the Design Engineering Review Board, and Operable But Degraded/Non-conforming Backlog Reduction Plan. The Operational Decision Making Model has been incorporated into this plan. The Plant Health Committee (PHC) will be the driving force for the successful execution of this Action Plan by engagement of Operations and Engineering personnel using the operational decision making model to review system health reports, engineering programs, proposed modifications and to recommend corrective actions to equipment-related issues. Responsibilities for the PHC are defined in NMC fleet procedure PF-E-PHC-01. The PHC is the site focal point for equipment reliability decisions. The PHC is responsible to review system and program health reports, assess current site conditions, and respond to emergent issues. (Continued on next page)	2Q05	• Operational Decision Making Model is implemented • Self assessment of effectiveness of Plant Health Committee (Step OR-08-017.2) • Self-assessment of effectiveness of Design Engineering Review Board (Step OR-08-017.4) • Operable but degraded/ nonconforming condition backlog reduced to ≤20 • Seven of the existing 13 Maintenance Rule (a)(1) systems will be transitioned to (a)(2) status by the end of 2Q05 • Corrective work order maintenance backlog <25 • Elective work order maintenance backlog <275 • Operations procedure feedback backlog <450 feedbacks • Maintenance procedure corrective feedback backlog <225

Action Plan: OR-08-017	Title: Operations and Engineering Interface n (continued)			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
(Continued from previous page)		The current schedule is to transition seven of the 13 existing Maintenance Rule (a)(1) systems to (a)(2) status by 2Q05. This schedule, however, may be subject to change if new system issues occur or are identified on any of the seven systems that would require a revision to the system (a)(1) action plan. If this occurs, the respective (a)(1) action plans will be changed accordingly. The following is the current projected dates when the seven systems will transition to (a)(2) status: Condensate and Feed – 2Q04; Nuclear Instrumentation – 2Q04; Reactor Protection – 4Q04; Cable Spreading Room Heating, Ventilation & Air Conditioning – 4Q04; Metering, Relaying and Regulation – 2Q04; Crossover Steam Dump 4Q04; Vital Instrument Bus (120 V) – 3Q04.		

OPERABLE BUT DEGRADED/NONCOMFORMING BACKLOG

FOCUS AREA: Engineering Organizational Effectiveness				
Action Plan Number: OR-08-016	**Title: Reduce Operable But Degraded / Nonconforming Backlog**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Reduce the backlog to meet the NMC goal	OR-08-016.3 OR-08-016.4 OR-08-016.5	The Plant Health Committee will be a driving force to reduce the backlog of operable but degraded and operable but nonconforming conditions at PBNP. The staff is executing a workdown curve that will reduce the backlog to 20 or less by 3Q04. This action plan will also reduce the number of operable but degraded/but nonconforming conditions, which are older than one fuel cycle, in accordance with the NMC fleet procedure.	3Q04	• Operable but degraded/ nonconforming condition backlog $\leq$20

FOCUS AREA: Emergency Preparedness (EP)				
Action Plan: OP-09-001	**Title: Improve EP Infrastructure (Processes, Programs)**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Enhance knowledge of EP staff	OP-09-001.12 OP-09-001.15	This action plan is intended to improve overall ownership and effectiveness of maintaining the Emergency Preparedness program. An EP Advisory Committee (EPAC) has been established that includes representatives of the site leadership team. The EPAC is chartered to provide site leadership oversight to support EP activities. The EPAC currently consists of the managers from Radiation Protection, Operations, Maintenance, Chemistry, EP, Engineering, and Human Resources. The vision and mission for Emergency Preparedness Program have been developed and have been communicated to site personnel. A structured approach to ERO staffing of key positions has been implemented. An ERO training advisory committee has been established. An EP staff training program has been developed. Training and qualification of EP staff members is in progress in accordance with the pre-defined schedule.	1Q05	• Qualification cards for EP staff members completed in accordance with defined schedule • Effectiveness review (Step OP-09-001.15)
Define Emergency Preparedness *staff roles and responsibilities*	OP-09-001.11 OP-09-001.15	Staff roles and responsibilities have been delineated. To date, EP-related call-ups have been assigned to an individual having primary responsibility for activity performance. Qualification of backup activity performers is in progress.	1Q05	• ≥80% of EP tasks (callups) performed by Emergency Planning staff members have a primary and backup person assigned • Effectiveness review (Step OP-09-001.15)

Action Plan: OP-09-001	Title: Improve EP Infrastructure (Processes, Programs) (continued)			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Corrective Action Program (CAP) in Emergency Preparedness is implemented in accordance with station procedures and standards	OP-09-001.15	EP staff personnel have received training in CAP expectations and implementation. A CAP liaison has been assigned to support EP. A number of CAP documents such as evaluations and corrective actions have been re-reviewed for adequacy.	1Q05	• Quarterly CAP Trend Report tracks effectiveness of CAP in Emergency Preparedness and demonstrates ≥95% on-time corrective actions completed; and ≥60% self-identification for CAPs. • Effectiveness review (Step OP-09-001.15)

Action Plan: OP-09-003	Title: Revise Emergency Plan Implementing procedures			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Revised Emergency Plan and supporting procedures are aligned	OP-09-003.13	This action plan completes a review of the Emergency Plan to assure compliance with 10 CFR 50 Appendix E and NUREG-0654. A team of plant personnel performed a review of the Emergency Plan and supporting procedures and revised to assure alignment. These procedures have been revised and issued.	3Q04	• Effectiveness Review (Step OP-09-003.13)
ERO is trained on Emergency Plan and procedure revisions	OP-09-003.13	Training on the revised Emergency Plan and implementing procedure revisions has been completed. The revised procedures have been issued.	3Q04	• Effectiveness Review (Step OP-09-003.13)

Action Plan: OP-09-004	Title: Upgrade Emergency Action Levels (EALs)			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Develop an EAL scheme that is consistent with NEI 99-01 and submit to the NRC	OP-09-004.7 OP-09-004.8 OP-09-004.9 OP-09-004.10 OP-09-004.11 OP-09-004.12 OP-09-004.13	This action plan will upgrade PBNP EALs to the NEI 99-01 scheme and submit the upgraded EALs to the NRC. Once drafted, the EALs must be reviewed and approved by the Plant Onsite Review Committee as well as State and Local governmental agencies. Following these approvals, the EALs will be submitted for review and approval by the NRC. Following site approval and submittal to the NRC, training will be conducted on upgraded EALs. The site will be prepared to implement the upgraded EALs within 90 days of NRC approval.	2Q05	• Revised EALs submitted to NRC • Implementation of revised EALs within 90 days of the date NRC approval is obtained

Action Plan: OP-09-005	Title: Control/Maintenance of EP Required Equipment			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
EP equipment and facilities are documented and controlled	OP-09-005.4 OP-09-005.5 OP-09-005.6 OP-09-005.7 OP-09-005.8 OP-09-005.9 OP-09-005.10 OP-09-005.11 OP-09-005.12	This action plan improves configuration control of EP equipment including equipment located at the emergency response facilities. A matrix has been developed to document equipment needed to support emergency response. EP equipment is being assessed to assess its reliability and maintainability. Equipment call-ups and alarm response procedures will be updated	2Q05	• Procedures and processes are in place to control EP equipment and facilities • Effectiveness review (Step OP-09-005.12)

FOCUS AREA: Corrective Action Program				
Action Plan: OP-10-001	**Title: Improve CAP Action Request Screening and Prioritization**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Senior plant management owns CAP screening	OP-10-001.14	Management has taken steps to improve the CAP screening process to provide focus and improve management oversight of the program. Benchmarking of the CAP screening improvements has been performed. CAP screening team members have been briefed on their roles and responsibilities. An external assessment of the CAP screening process will be performed to ensure effectiveness of the screening process.	4Q04	• Assessments indicate no significant CAP prioritization errors. Goal is to have: ▪ No level "A" events misclassified ▪ ≥90% of "B" level events properly categorized

Action Plan: OP-10-004	**Title: CAP Resolution Effectively Addresses Problems**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
A Technical Review Panel is established (and in place until the Site VP and Plant Management agree the need no longer exists) to review selected corrective actions to ensure the actions taken effectively resolve the issue	OP-10-004.12	A Technical Review Panel was established to perform a multi-disciplined review selected corrective actions to ensure that the corrective actions taken effectively resolve the condition identified. PBNP management has included a step in this action plan to validate the effectiveness of the Technical Review Board.	3Q04	• TRP is established by charter • Meeting notes documenting periodic TRP meetings • Effectiveness Review (Step OP-10.004.12)
Issue owners are assigned to significant issues	OP-10-004.12 OP-10-004.15	In order to ensure that there is individual accountability for corrective actions for station issues, a method to assign an "Issue Owner" has been developed. PBNP management has included a step in this action plan to validate the effectiveness of this enhancement to the CAP Program.	3Q04	• Issue Manager Procedure (NP 1.1.11) issued • NOS assessment of procedure compliance and effectiveness of issue manager program • Effectiveness Review (Step OP-10-004.12)

Action Plan: OP-10-004	Title: CAP Resolution Effectively Addresses Problems (continued)			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Station personnel are aware of their roles and responsibilities in the Corrective Action Program (CAP)	OP-10-004.12	PBNP management has taken actions to ensure that station personnel are aware of their roles and responsibilities as they pertain to the Corrective Action Program. PBNP management has included a step in this action plan to validate the effectiveness of this enhancement to the CAP Program.	3Q04	• Employee briefings completed • New employee training program revised • Employee Surveys • Effectiveness Review (Step OP-10.004.12)
Managers monitor and improve the health of the CAP Program at a station and an individual department level	OP-10-004.14 OP-10-004.16	PBNP will take steps to expand the CARB membership include representation from all major site work departments in order to improve management oversight of the CAP. The station will create department level indicators for the key attributes of a healthy corrective action program. The departmental level indicators include such items as: self-identification rate, evaluation age, evaluation quality, corrective action age, and backlogs. Effectiveness reviews will be utilized to monitor the effectiveness of actions.	1Q05	• CARB membership expanded • Department level indicators show improving trends • Ratio of effectiveness reviews to A & B level CAPs • Effectiveness review (Step OP-10-004.14)
Corrective Action Program improvements have led to timely corrective actions that resolve problems	OP-10-004.12 OP-10-004.14	Measures have been established to review corrective actions to ensure the corrective actions are effective in resolving problems.	1Q05	• CAP throughput (number of open CAPs) $\leq$2500 CAPs • Average ACE Quality grade is $\geq$85 sustained over a 3-month period • Average RCE Quality grade is $\geq$85 sustained over a 3-month period • Corrective Action Implementation Effectiveness indicator >80 • Effectiveness Review (Step OP-10-004.14)

Action Plan: OP-10-005	Title: Improve CAP Trending and Use of Trending			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
CAP Trend Reports reflect Station Performance and identify adverse trends	OP-10-005.12 OP-10-005.13	A method was developed to trend code CAPs in a timely manner. Quarterly trend reports were issued throughout 2003. The station will perform an effectiveness review of the use of CAP Trend Reports to correct emerging issues. An effectiveness review will be performed to ensure that periodic reports are issued and reviewed by plant management, and that declining performance trends are identified and actions are taken to correct performance.	1Q05	• Declining trends are identified in quarterly CAP Trend Reports and actions initiated to correct performance • Effectiveness review (Step OP-10-005.13)

Action Plan: OP-10-006	Title: Effective Root Cause Evaluations			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Reduce recurrent problems through improved root cause quality	OP-10-006.14 OP-10-006.15	PBNP has developed a standard for grading Root Cause Evaluations (RCE) and a checklist for Corrective Action Review Board to review RCEs. A performance indicator was established to monitor RCE quality. A continuing /refresher training course for Root Cause Evaluators will be established to ensure that RCE quality remains high. An additional close out effectiveness review by independent assessors will be performed to ensure that the actions taken to improve RCE quality have been effective.	1Q05	• Average RCE Quality Grade is ≥85 sustained over a 3-month period • Effectiveness Review (Step OP-10-006.15)
Individuals receive instruction to become root cause evaluators and team leaders	OP-10-006.12 OP-10-006.14 OP-10-006.15	PBNP has provided refresher briefing and developed a Root Cause Evaluator (RCE) certification standard. Additionally, a process to certify Root Cause Evaluation Team Leaders was developed. A continuing /refresher training course for Root Cause Evaluators will be established to ensure that RCE quality remains high. An additional closeout effectiveness review by independent assessors will be performed to ensure that the actions taken to improve RCE have been effective.	1Q05	• Certification records of those selected • Documented self- assessment of use of multi-disciplinary teams (Step OP-10-006.12) • Effectiveness Review (Step OP-10-006.15)

Action Plan: OP-10-010	Title: Operating Experience (OE) Improvement Plan			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Expectations are clearly communicated	OP-10-010.1 OP-10-010.19	Expectations are formally delineated in procedures OEG-007 and NP 5.3.11. A review will be conducted to determine whether the actions taken have been effective.	3Q04	• Procedures reviewed and issued (OEG-007 and NP 5.3.11) • Effectiveness Review (Step OP-10-010.19)
OE is contained within a single database	OP-10-010.15 OP-10-010.19	This action is complete. The OE program resides in a single database, T-Track. A review will be conducted to determine whether the actions taken have been effective.	3Q04	• Single OE database created • Effectiveness review (Step OP-10-010.19)
Procedures for acquiring and processing OE are issued	OP-10-010.4 OP-10-010.19	Procedures OEG-007 and NP 5.3.11 have been approved and issued. A review will be conducted to determine whether the actions taken have been effective.	3Q04	• Procedures approved and issued (OEG-007 and NP 5.3.11) • Effectiveness review (Step OP-10-010.19)
OE data is effectively used to improve the quality of work	OP-10-010.21 OP-10-010.22 OP-10-010.23	A CAP that was initiated to address circumstances in which OE disseminated at daily production and planning meetings had not been implemented in the field. A second action deals with providing a means such that OE can be easily accessed and filtered for use by maintenance personnel during pre-job briefs. A third item conducts an effectiveness review of implementation of the OE program within the Maintenance Department as well as assessing the overall effectiveness of the Action Plan.	1Q05	• OE evaluation quality being tracked • Average age of open OE evaluation is ≤30 days sustained over a 3-month period. • Average age of open corrective actions associated with OE ≤120 days sustained over a 3-month period • Effectiveness Review (Step OP-10-010.23)

Action Plan: OP-10-011	Title: Improve Effectiveness of Self Assessment			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Benchmarking is conducted in formal, systematic methods against industry performance	OP-10-011.4.C OP-10-011.9	This Action Plan is intended to strengthen certain elements of the continuous improvement process to drive the overall station improvement process. A formal benchmarking procedure has been developed. Additionally, a performance indicator to monitor benchmarking effectiveness has been developed. A review of the revised benchmarking procedure and process will be performed to ensure its effectiveness.	4Q04	• Procedure issued which provides a formal structure for benchmarking activities • Benchmarking schedule adherence is ≥80% • Effectiveness Review (Step OP-10-011.9)
Data from the job observation program is analyzed and disseminated to detect adverse trends	OP-10-011.3.D OP-10-011.9	Actions taken to date have included self-assessments to identify the specific elements warranting additional attention, implementation of a common database for administering the job observation process, development and issuance of the job observation program procedure that formalizes the process and defines standards, expectations, trending, and reporting observations. The PBNP site observation program is delineated in procedure NP 13.6.1. NP 13.6.1 requires job observations to be performed by managers and supervisors. The total number of managers and supervisors required by procedure to conduct the job observations is approximately 115. A review of the site leadership observation program will be performed to ensure its effectiveness.	4Q04	• An average of >325 management observations per month (both training and field observations) are conducted over a sustained 3-month period • Quarterly analysis of job observation data is prepared and issued • Effectiveness Review (Step OP-10-011.9)

Action Plan: OP-10-011	Title: Improve Effectiveness of Self Assessment (continued)			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Quality, focused self-assessments are routinely conducted	OP-10-011.5.A OP-10-011.5.B OP-10-011.5.D OP-10-011.5.F OP-10-011.7 OP-10-011.8 OP-10-011.9	Actions taken to date have included revising the administrative procedure and process used to conduct self-assessments. The NMC fleet process for performing focused self-assessments has also been adopted. Actions remaining to be completed include implementation of a site-wide integrated assessment reporting process, establishing a process whereby performance indicators relevant to each plant department are routinely reviewed by the departmental staff and the conduct of an effectiveness review.	4Q04	• Focused self-assessment schedule adherence is >90% sustained for 2 quarters • Focused self-assessment report quality is graded >95% sustained for 2 quarters • Effectiveness Review (Step OP-10-011.9)

Action Plan: OP-10-013	Title: Resolution of 2003 CAP Self-Assessment Areas for Improvement			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Self-Assessment of the PBNP CAP program (SA-CAP-2003-01) comments/observations have been resolved	OP-10-013.16	A step was included in this action plan to determine the effectiveness of the changes made to the CAP program as a result of the July 2003 self-assessment.	3Q04	Corrective actions completed for findings from SA-CAP-2003-01

CONFIGURATION MANAGEMENT / DESIGN CONTROL

FOCUS AREA: Configuration Management				
Action Plan: OP-14-001	**Title: Improve the Configuration Management Program**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Reduce the backlog of modifications that have been in closeout greater than 90 days since acceptance	OP-14-001.11 OP-14-001.11.A	A backlog of work remains to close out previously installed modifications. A backlog reduction workdown curve will be developed and used as a means for station management to monitor progress to assure the closeout goal is met.	2Q05	• Backlog of modifications that have been in closeout >90 days since acceptance is reduced to ≤20
Configuration Management Program guidelines and procedures to improve configuration management are issued	OP-14-001.12 OP-14-001.15 OP-14-001.16.A	The scope of work and list of procedures requiring revision have been identified. Resources necessary to revise and develop procedures have been identified. New or revised Configuration Management Program guidelines and procedures will be issued per schedule. Approximately 60 procedures will require revision. All actions in OP-14-001 will be completed by 2Q05 with the exception of Steps 16 and 17. Step 16, which is the work to revise applicable procedures, is scheduled to be approximately two-thirds complete by 2Q05. Step 17 is the final effectiveness review. A progress status review (Step OP-14-001.16.A) will be conducted in 2Q05 to assure satisfactory progress. This progress review will validate that a minimum of 40 procedures have been revised and issued.	2Q05	• A minimum of 40 procedures will be revised and issued by 2Q05 (approximately two-thirds of total project scope) • Performance indicators, standards or health reports developed in Step OP-14-001.15 implemented • Progress Review (Step 14-001.16.A)

Action Plan: OP-14-003	Title: Validate Design Basis for High Risk Systems			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Design Basis Documents (DBDs) for the following high risk significant systems are updated and validated: Auxiliary Feedwater, Service Water, Fire Protection, Emergency Diesel Generators, Component Cooling, 480 V, and 13.8 kV	OP-14-003.3 OP-14-003.4 OP-14-003.5 OP-14-003.6.A	This plan will update and validate the three most risk significant DBDs by 2Q05 and the seven selected systems over an approximate 2.5 year period. Owners have been assigned to the selected DBDs. A schedule will be developed for the remaining four DBDs identified in the Action Plan. A project plan will be created and resourced appropriately such that the AFW DBD validation and update will be completed by 3Q04. The Service Water and Fire Protection System DBD validation and updates will be completed by 2Q05.	2Q05	• Interim progress review (Step OP-14-003.6.A) • AFW DBD validation and update completed by 3Q04 • Service Water DBD and Fire Protection DBD updates completed by 2Q05

Action Plan: OP-14-005	Title: Validate and Integrate Calculations and Setpoints			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Calculations are upgraded to provide a clear basis for safety-related setpoints and to create a cross-reference for setpoints, calculations and procedures	OP-14-005.2.D OP-14-005.2.E OP-14-005.3 OP-14-005.4 OP-14-005.5 OP-14-005.6 OP-14-005.7 OP-14-005.8 OP-14-005.9 OP-14-005.10	A project plan has been developed and scope of work determined. The scope of calculations requiring upgrade will be defined and the EOP setpoint bases requiring revision will be identified. A review of safety-related calculations is being performed, including validation of assumptions. The project plan includes requirements to assure the technical bases for safety-related setpoints and calculations are documented. The primary objective of this plan is to upgrade the subject calculations. The calculation upgrades are to be completed by 2Q05. All of the steps in this plan will be completed by 2Q05 except Step OP-14-005.2.F and Step OP-14-005.11. Step OP-14-005.2.F will implement revised EOP setpoints in emergency operating procedures and this work will be completed by 4Q05. A final effectiveness review, Step OP-14-005.11, will be completed in 2006. Step OP-14-005.9 is a progress review that will ensure successful completion of work scheduled by 2Q05. By 2Q05, the calculations will be revised, validated and issued. Also, by 2Q05 a cross-reference database will be developed.	2Q05	• Calculations revised, validated and issued • Cross-reference database developed • Progress Review (Step OP-14-005.9)

Action Plan: OP-14-007	Title: Updated Vendor Technical Information Program (VTIP)			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Strengthen the VTIP program and address issues identified in a self-assessment	OP-14-007.4 OP-14-007.5 OP-14-007.8	VTIP program management is strengthened by 1) assigning program ownership to the Configuration Management group; 2) revising procedures used to administer VTIP; and 3) completing corrective actions identified in self-assessment PBSA-ENG-02-01.	2Q05	• Procedures revised and issued • Corrective actions from self-assessment PBSA-ENG-02-01 are resolved

AUXILIARY FEEDWATER SYSTEM

FOCUS AREA: Equipment Reliability (AFW)				
Action Plan: EQ-15-001	Title: Auxiliary Feedwater (AFW) Appendix R Firewall Project			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Complete modifications required to resolve Auxiliary Feedwater Pump Room Appendix R issues	EQ-15-001.8 EQ-15-001.9 EQ-15-001.10 EQ-15-001.11 EQ-15-001.12 EQ-15-001.13 EQ-15-001.14	Modifications are being installed and will be completed by end of 2Q04. These modifications include the construction of a 3-hour fire rated barrier and fire wrap of certain Appendix R credited electrical conduits. These modifications provide assurance that at last one train of safe shutdown equipment remains free of fire damage following a fire in either the north or south half of the AFW pump room.	2Q04	• Modification installed and closed out

Action Plan: EQ-15-015	Title: Auxiliary Feedwater Electrical Modifications			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
AFW component power supplies meet design basis requirements	EQ-15-015.5	A design basis evaluation of the AFW system identified that power supplies to some components did not meet design basis requirements. The purpose of this action plan is to implement electrical modifications to address these issues. Modifications to correct these deficiencies were installed in 2003. These included modifications MR 03-005, MR 03-006 and MR 03-007. Closeout of MR 03-006 is complete. The two remaining modifications will be closed out by 3Q04.	3Q04	• Modifications MR 03-005 and 03-007 closed out

FOCUS AREA: Management Effectiveness				
Action Plan: OR-05-008	**Title: AFW Root Cause Evaluation (RCE) Corrective Actions**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
The Auxiliary Feedwater Root Cause Evaluation corrective actions are complete and correct the root causes and contributing causes identified in the RCEs	OR-05-008.1 OR-05-008.2 OR-05-008.3 OR-05-008.4 OR-05-008.5	PBNP has completed three Root Cause Evaluations related to these issues and corrective actions are being addressed by the PBNP management team through the CAP program. Corrective actions included plant modifications and organizational effectiveness improvements. Necessary modifications for the AFW have been installed and design control processes have been strengthened. An interim effectiveness review of these corrective actions will be conducted in 3Q04 and a final effectiveness assessment will be conducted in 2Q05 to assure the corrective actions taken are effective.	2Q05	• Corrective actions from RCE 01-069 Revision 1, RCE 191 Revision 1, and RCE 202 are determined to be complete and have effectively addressed root causes and contributing causes per Effectiveness Review scheduled pursuant to Step OR-05-008.5

FOCUS AREA: Equipment Reliability				
Action Plan: EQ-15-011	**Title: Bolted Fault**			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Calculations to support fault protection reflect design basis assumptions	EQ-15-011.5	These planned analyses and modifications will improve the protection of in-plant electrical distribution systems in the event of a catastrophic electrical fault. A large portion of the analysis work has been completed. Modifications to the 480 V electrical distribution system are in progress.	4Q04	• Approved calculations
Bolted fault project is completed in accordance with project schedule	EQ-15-011.3 EQ-15-011.12 EQ-15-011.16	Modifications required to configure the plant in accordance with the design calculations are in progress. A project schedule has been established and will continue through 2007. By the end of 2Q05, Steps EQ-15-011.1, 3, 4, 5, 8, 12, 15, and 16 will be completed. Steps EQ-15-011.2, 6 and 7 will be partially completed. Work on these steps will include: (1) Procurement and receipt of motor control center (MCC) buckets; (2) procurement and receipt of MCC bracing; (3) completion of design analysis engineering; (4) determination of scope of power panel/MCC individual breaker replacement; (5) procurement of transformer tap change material, (6) change packages are approved for 4 of 8 MCCs; (7) bracing installed on 1 MCC; and (8) buckets are replaced in 2 MCCs. To assure satisfactory project progress, an interim progress review (Step EQ-15-011.16) will validate that the actions scheduled for completion by 2Q05 have been successfully performed.	2Q05	• Interim progress review (Step EQ-15-011.16) following U2R27 determines work scheduled by 2Q05 is completed.

Action Plan: EQ-15-012	Title: Manhole and Cable Vault Flooding			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
Implement a solution to keep the cables in Maintenance Rule scope manholes from becoming submerged	EQ-15-012.8 EQ-15-012.9	A modification is in the implementation phase to install dewatering equipment in Manholes 1 and 2. Callups will be established to inspect and pump Maintenance Rule scope manholes to preclude long-term submergence of cables. The modification to install the dewatering equipment in Manholes 1 and 2 is scheduled for installation and acceptance by 2Q04.	3Q04	• Modification for dewatering equipment for Manholes 1 and 2 installed and accepted • Maintenance call-ups in place to inspect and pump manholes, as determined necessary, for remaining manholes containing Maintenance Rule scope cables • Effectiveness review of installed modification (Step EQ-15-012.9)

Action Plan: EQ-15-016	Title: Determine Condition of Underground Cables Which Have Been Submerged			
Objective	**Action Plan Steps to be Completed**	**Summary & Status of Action Steps**	**Complete Date**	**Methods to Verify Objective Met**
The condition of the underground 480 V, 4160 V and 13.8 kV cables that are safety-related or provide offsite power is understood and monitored	EQ-15-016.4 EQ-15-016.6	Condition monitoring has been performed on the subject cables. The cables have been found to be in good condition. Call-ups will be established to routinely monitor condition of the cables to ensure their reliability. Callups will require periodic energized partial discharge testing of 4160 V and 13.8 kV cables subject to submergence.	1Q05	• Effectiveness assessment (Step EQ-15-016.6) • Cable condition assessment reports completed • Call-ups are in place for future cable condition monitoring

March 31, 2005

NRC 2005-0039
42 USC 2332

Regional Administrator
Region III
U. S. Nuclear Regulatory Commission
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Lisle, IL 60532-4352

Point Beach Nuclear Plant, Units 1 and 2
Dockets 50-266 and 50-301
License Nos. DPR-24 and DPR-27

CAL 3-04-001
Update on Confirmatory Action Letter Commitments and Performance Measures

References: (1) Nuclear Management Company, LLC Letter dated March 22, 2004, "Commitments in Response to 95003 Supplemental Inspection"

(2) NRC Letter dated April 21, 2004, transmitting CAL 3-04-001, "Confirmatory Action Letter"

(3) NMC Letter dated November 23, 2004, "Update on Confirmatory Action Letter Commitments and Performance Measures"

On March 22, 2004, Nuclear Management Company, LLC (NMC) submitted proposed commitments to the U. S. Nuclear Regulatory Commission (NRC) via Reference (1). On April 21, 2004, the NRC issued CAL 3-04-001, as described by Reference (2). Reference (2) contains provisions that the Regional Administrator, Region III, be notified in writing if there are any changes or deviations from the actions documented in the NMC commitment letter, or if NMC cannot complete the actions within the specified schedule in advance of the change. Reference (3) provided an update on Confirmatory Action Letter (CAL) commitments and associated performance measures. This letter advises NRC of additional changes to CAL commitments and performance measures that are contained in Reference (2) and provides information as committed to in Reference (3).

There were two issues summarized as commitments in Reference (3) that required further action by NMC. These issues were:

- Calculation Validation and Reconstitution Project
- Bolted Fault Calculations

The status of the above issues is discussed in the enclosure to this letter and has resulted in revised commitments. Additionally, there are updates on CAL commitments and

associated performance measures that have been the subject of discussions between representatives of NRC Region III and NMC on several occasions during this calendar quarter, including March 2, March 14, March 15, March 24, and March 30, 2005.

Summary of New/Revised Commitments

1. EQ-15-011: NMC will complete the Bolted Fault Calculations in 3Q05 in accordance with revised Action Step EQ-15-011.5.

2. OP-14-005: The deliverable for Action Step OP-14-005.2.D has been revised to reflect progress of completed calculations as of June 15, 2005. The deliverable for Action Step OP-14-005.2.E has been revised to provide a copy of the project plan describing approval requirements for the Emergency Operating Procedure (EOP) setpoint calculations.

Commitment Excellence Plans EQ-15-011 and OP-14-005 have been updated to reflect these revised commitments. Revision Six (6) of the Commitment Excellence Plan is being transmitted to the NRC Document Control Desk separate from this submittal. The individual corrective actions that direct performance of these activities have been updated to reflect the revised commitments and the individual commitments that are documented in the plant's commitment management system have been revised.

Please contact me at PBNP if there are questions regarding the information provided in this letter or its enclosure.

Dennis L. Koehl
Site Vice-President, Point Beach Nuclear Plant
Nuclear Management Company, LLC

Enclosure

cc: Document Control Desk
NRR Project Manager, Point Beach Nuclear Plant

ENCLOSURE

UPDATE TO POINT BEACH NUCLEAR PLANT
CONFIRMATORY ACTION LETTER COMMITMENTS

This enclosure provides a status update on Point Beach Nuclear Plant (PBNP) Confirmatory Action Letter (CAL), CAL 3-04-001, commitments. The information provided is sequentially arranged into the relevant focus areas contained in the CAL. This letter only addresses issues where the commitment or performance measures differ from those described in Reference (2).

Human Performance – Action Plan OR-01-004

Step OR-01-004.35, "Publish department excellence plans," is a CAL commitment that was scheduled for completion during 3Q04. Plant activities associated with this commitment were completed during 3Q04. The commitment consists of three sub-steps as follows:

- OR-01-004.35A, "Determine the best method for implementing department excellence plans (actual plans, matrices, or other)." This action was completed during 3Q04.

- OR-01-004.35B, "Create Department Excellence Plans." This action was completed during 3Q04.

- OR-01-004.35C, "Publish Department Excellence Plans." This action was completed during 3Q04.

As noted above, the activities associated with this CAL commitment have been completed. However, a review of the results of this activity revealed that the continued development and implementation of individual department excellence plans were inconsistent with improving site alignment. The department excellence plans created a risk of departmental misalignment that could detract from the overall Picture of Excellence, as the departmental excellence plans were external to the Site Excellence Plan. The alignment of departments to a common understanding of station priorities and the Excellence Plan is a key enabler, which is aligned to support these priorities.

Shortly after this CAL commitment was completed, an NMC fleet initiative was undertaken to establish a common process and methodology for creating and monitoring individual site Excellence Plans. Each NMC site has developed, or is in the process of developing, an Excellence Plan. The Excellence Plan at each site is to be maintained as a "living document" via ongoing and routine reviews by the Plant Excellence Review Group (PERG). The PERG provides a forum to validate that the site is working on the right issues, with appropriate priorities and resource allocations, and that the organization is aligned. The Site Excellence Plan establishes a path toward achieving excellence in which individual departmental roles are identified.

Engineering Organizational Effectiveness – Action Plan OR-08-17

One of the methods to verify that the objectives of Action Plan OR-08-017, "Operations and Engineering Interface," have been met is that the Operations procedure feedback backlog is less than 450 feedbacks. This performance measure is currently challenged and may not be met. When this performance measure was initially proposed, Operations procedure feedbacks were counted in aggregate and there was no prioritization or classification scheme. Since that time, all feedbacks have been evaluated, classified and prioritized. In addition, requested Operations procedure changes are now individually entered as procedure change requests (PCRs) into the corrective action program. The data, however, could be affected if one procedure change affects many procedures. For example, a caution note might need to be incorporated into each unit's specific procedures and the caution could affect multiple pieces of equipment, and thus, many procedures.

Additionally, when this performance measure was developed, the potential scope of procedures that may require revision was not realized as the overall scope of the calculation project (OP-14-005) was not fully known. That information is now becoming available as the calculation project progresses. NMC believes this effort will likely generate a significant number of procedure changes.

As of March 28, 2005, there were 587 outstanding Operations procedure feedbacks. Ten of the feedbacks were "corrective" in nature, while 533 of the feedbacks were "elective" and there were 44 "project-related" feedbacks.

Emergency Preparedness – Action Plan OP-09-004

OP-09-004 was developed to ensure an effective upgrade of the current PBNP emergency action levels (EALs) to the Nuclear Energy Institute (NEI) 99-01 scheme. The original submittal of these revised EALs occurred in accordance with the original schedule. The EALs were submitted on June 25, 2004. In response to a public meeting held on this issue between representatives of NMC and NRC on September 2, 2004, revised EALs were submitted to the NRC on October 15, 2004.

Based upon discussions last week with the NRC PBNP Project Manager, it was learned that NRC approval of the revised EALs would occur no earlier than late May 2005. NMC remains committed to implementing these revised EALs within 90 days of the date NRC approval is obtained.

Corrective Action - Action Plan OP-10-004

One of the methods used to verify that the objectives of Action Plan OP-10-004, "CAP Resolutions Effectively Addresses Problems," have been met is that the Corrective Action Implementation Effectiveness performance indicator would be greater than 80%. Performance in 2Q04 was 70%; in 3Q04, it was 82%, and in 4Q04, it was 100%. However, during 1Q05 performance dropped to 40% because three of the five

effectiveness reviews presented to the Corrective Action Review Board (CARB) were determined to be ineffective. This matter was discussed at the March 24, 2005, CARB meeting. Direction has been given to Managers and Supervisors to provide more oversight during the performance of corrective actions to prevent recurrence and effectiveness reviews. In addition, CAP063034 was initiated on March 24, 2005, by the Site Director to document, evaluate and take additional corrective actions, as necessary.

Configuration Management – Action Plan OP-14-005

The NMC letter dated November 23, 2004, (Reference (3), stated a revised completion date for the calculation upgrade project (OP-14-005) would be provided in 1Q05. Detailed schedules have been developed to reflect calculation interdependencies that affect the current CAL due date of 2Q05. The detailed schedule is available for review at PBNP. There are four significant milestones associated with completion of the calculation upgrade project. These milestones are currently scheduled as follows:

Completion of Electrical Calculations	1Q06
Completion of Mechanical Calculations	2Q06
Completion of Instrumentation & Control (I&C) Calculations	3Q06
Perform Final Effectiveness Review	2Q07

In addition to the above, interim milestone completion dates for completed calculations have been established. Action Plan OP-14-005 has been revised accordingly.

The prioritization of calculations to be reviewed was completed in an integrated manner. This methodology included ties to interdependent calculations as necessary to logically complete calculations in an efficient manner and established specific priorities in each discipline. Specifically, EOP setpoint change calculations were established as highest I&C priority along with mechanical calculations that were tied to these I&C EOP setpoint changes. Additionally, auxiliary feedwater system calculations receive a high priority because of this system's safety significance. Finally, electrical calculations are prioritized in accordance with the bolted fault project needs and to address an open QA significant issue in the Appendix R area.

The development of the calculation program schedule did not lend itself to the establishment of a probabilistic risk assessment. However, the completion of related CAL steps to administratively restrict the use of calculations while under revision, along with controls to ensure that future calculation revisions retain interdependent links to other calculations, provides NMC with assurance that the established project timelines and milestones are appropriately risk informed.

Action Step OP-14-005.2.D was originally intended to define completion of the project at the end of 2Q05. In response to communications between NRC and NMC, the deliverable for this step has been revised to require a copy of the signature page from each calculation

that is approved by June 15, 2005, showing the approval signatures. The project schedule indicates that approximately 10% of calculations to be revised will be complete and ready for NRC review by June 30, 2005.

CAP 060919 was generated on December 6, 2004, to document the fact that the 2Q05 CAL date of Step OP-14-005.2.D may not be met.

Accordingly, these changes necessitate a change to CAL Commitment Action Step OP-14-005.2.D to no longer require completion of the calculation project in 2Q05.

Likewise, CAL Commitment Action Step OP-14-005.2.E was originally intended to define completion of the final review and acceptance of the revised EOP setpoint calculations. The deliverable for this step has been revised to require a copy of the project plan describing requirements for Operations or EOP Procedure Coordinator approval of the EOP setpoint calculations. The due date for this commitment remains at 2Q05.

In addition to the above, a discussion was held with a representative of NRC Region III on March 15, 2005, regarding CAL Commitment Step OP-14-005.10, "Incorporate relational database into station information system." At the time Action Plan OP-14-005 was created, it was envisioned that the relational database being utilized for the calculation review phase would be utilized in the production phase with subsequent incorporation into the station's electronic document management system. The purpose of the action step was to ensure that calculation interdependencies would be identified such that when a calculation is revised, all affected and relevant calculations would be revised.

Following creation of this step, an evaluation was performed that concluded the station's electronic document management system possessed the capability to identify the calculation interdependencies and electronically link calculations. This is accomplished via a process called "path walking." Accordingly, this step will be appropriately documented and a sustainability assessment will be performed by the end of 2Q05 to justify use of the station's electronic document system as the method utilized to fulfill the requirements of Step OP-14-005.10.

Equipment Reliability, Action Plans EQ-15-011 and EQ-15-012

EQ-15-011, Bolted Fault Calculations: Bolted fault calculations were scheduled to be completed during 1Q05. Reference (3) incorrectly identified the completion date as 4Q04. In early January 2005, it was identified that there were several quality-related concerns with the software application being used to complete the short circuit and degraded voltage calculations. Corrective Action Program (CAP) action request CAP061406 was initiated on January 11, 2005, to document these issues. On February 2, 2005, additional significant inconsistencies and errors were identified in the methodology for the "AC Electrical Distribution System Model" in the software application. These issues were documented in CAPs 061829 and 061830. These CAPs were provided to and discussed with the PBNP Region III PBNP Project Engineer on February 9, 2005.

On February 14, 2005, CAP 062066 was initiated to document that NMC would not meet the 1Q05 CAL commitment because of the impact of these electrical calculation software quality issues. Based upon the nature and significance of the errors and issues associated with the electrical calculation software model, the decision was made to abandon work performed to date using that application, and to develop a recovery plan, including schedule and budget, that utilizes a different software application. A recovery plan has been developed and implemented. The schedule necessitates that the due date for this CAL commitment be revised to 3Q05.

As part of continued work in this area, it was recently determined that additional data crucial to the development of the electrical system model must be obtained from the nuclear steam supply system vendor. This information is expected to provide component-specific technical data to be utilized as input into the electrical model. This information is currently expected to arrive at PBNP in late June 2005. Upon review, the completeness of this data will be confirmed and any identified deficiencies will be addressed. Due to the critical nature of acquiring this data in a complete and timely manner, NMC remains committed to completion of this project in 3Q05, but also recognizes the obligation to advise NRC of the potential for a schedule impact based on this uncertainty. NMC will keep NRC advised as to the outcome of this development.

EQ-15-012, Manhole and Cable Vault Flooding: An effectiveness review was conducted during 3Q04 in accordance with the requirements of Action Step EQ-15-012.9. A review of the results of this effectiveness review indicated that the work performed to date was not fully effective in resolving the manhole and cable vault flooding issues. CAP060550 was initiated to document the findings of this effectiveness review and to perform additional corrective actions.

February 10, 2006 NRC 2006-0008

Regional Administrator
Region III
U. S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
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Point Beach Nuclear Plant, Units 1 and 2
Dockets 50-266 and 50-301
License Nos. DPR-24 and DPR-27

Commitments for Continued Performance Improvement
at Point Beach Nuclear Plant

On February 2, 2006, a meeting was held between representatives of Nuclear Management Company, LLC (NMC) and U. S. Nuclear Regulatory Commission (NRC) Region III. The meeting focused upon additional improvements that are planned in the Engineering department and the Corrective Action Program (CAP) to ensure sustainable and predictable performance.

This letter formalizes our commitment to continued improvement to ensure sustainable and predictable performance. Specifically, NMC commits to the following long-term continuous performance improvement actions at Point Beach Nuclear Plant (PBNP) over the next two-year period:

1. Corrective Action Program

   a. Perform a Root Cause Evaluation (RCE) that evaluates the two main drivers from our recent assessment of the Corrective Action Program by March 31, 2006.

   b. The PBNP Excellence Plan will be revised to track the corrective actions resulting from the RCE by April 14, 2006. The Excellence Plan actions will be controlled by the applicable procedures and monitored by the Picture of Excellence Review Group (PERG).

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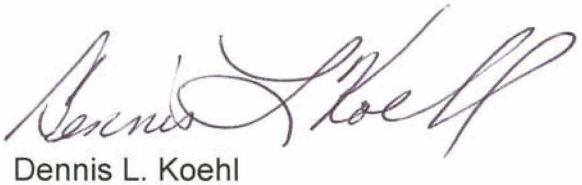
c. Assessments of CAP performance will be performed every six months for the next two-year period. The assessments will alternately be independent assessments and self-assessments. The first assessment will be an independent assessment to be performed and actions incorporated in the Point Beach Excellence Plan by September 1, 2006. The independent team assessments will consist of members from industry, outside of the NMC fleet, and have a host peer outside of our Performance Assessment Department. NMC will provide the charter and members of the assessment team to the NRC prior to the start of each assessment and the results after each assessment.

2. Engineering Department Improvements

a. The long-term improvement actions discussed at the February 2, 2006, meeting which have resulted from the recent Engineering assessment, will be incorporated into the Point Beach Excellence Plan by March 2, 2006. The Excellence Plan actions will be controlled by the applicable procedures and monitored by the Picture of Excellence Review Group (PERG).

b. Assessments of Engineering performance will be performed every six months for the next two-year period. The assessments will alternately be independent assessments and self-assessments. The first assessment will be an independent assessment to be performed and actions incorporated into the Excellence Plan by August 1, 2006. The independent team assessments will consist of members from industry, outside of the NMC fleet, and have a host peer outside of Engineering. NMC will provide the charter and members of the assessment team to the NRC prior to the start of each assessment and the results after each assessment.

Please contact me at Point Beach Nuclear Plant at (920) 755-7658 if there are questions regarding the information provided in this letter or its enclosure.



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