

**FENOC**

FirstEnergy Nuclear Operating Company

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Perry Nuclear Power Plant  
Docket No. 50-440  
License No. NPF-58

Subject: Response to U.S. Nuclear Regulatory Commission (NRC) Inspection Report  
05000440/2006008 – Perry Nuclear Power Plant Confirmatory Action Letter (CAL)  
Followup Inspection Corrective Action Item Implementation Inspection

Ladies and Gentlemen:

This letter provides the FirstEnergy Nuclear Operating Company (FENOC) response to NRC Inspection Report 05000440/2006008 for the Perry Nuclear Power Plant (PNPP). The inspection report provided the results of the NRC Confirmatory Action Letter (CAL) follow up inspection for Corrective Action Program (CAP) implementation. The letter requests that FENOC respond within 30 days of receipt of the letter describing the specific actions that FENOC plans to take to address the issues raised during the inspection. In particular, the NRC requested that if FENOC intends to or has revised its planned actions as a result of the subject inspection, a description of the changes made or planned and the basis for those changes should be provided. The attached provides the requested response.

There are no commitments contained in this letter. If you have any have questions or require additional information, please contact Mr. Jeffrey Lausberg, Manager, Regulatory Compliance at (440) 280-5940.

Very truly yours,



L. William Pearce  
Vice President

Attachment

cc: NRC Region III Administrator  
NRC Project Manager  
NRC Resident Inspector  
Eric R. Duncan, NRC R III

IE36

**Response to NRC Inspection Report (IR) 05000440/2006008**  
**Perry Nuclear Power Plant Confirmatory Action Letter (CAL) Followup Inspection**  
**Corrective Action Item Implementation Inspection**

The NRC inspection report determined that based on the results of the inspection, no findings of significance were identified, and the NRC team confirmed that three (3) of the Confirmatory Action Letter (CAL) commitments associated with the Corrective Action Program were adequately implemented. In particular, the team observed that during the working meetings to assess and resolve issues entered into the corrective action program, managers were responding to these issues in a manner consistent with senior management expectations on an increasingly consistent basis. Similarly, some positive improvement was reflected in performance indicators associated with the corrective action program. Notwithstanding this overall conclusion, the NRC team identified some cases where the implementation of these actions was weak, which potentially impacts the overall ability to effectively resolve these issues. Although none of these issues in and of themselves has had a direct impact on the safe operation of the facility, the fact that the NRC team identified these issues causes a question about the quality of measures to ensure that planned actions are properly accomplished in a high quality manner, and whether the actions accomplished will have a lasting and effective impact. The specific issues are identified in the Findings and Observations section of the inspection report.

Prior to the subject NRC inspection, FENOC conducted a Snapshot Self-Assessment (819-PYRC-2006). The assessment identified that some closure packages for CAP initiatives lacked quality and a discussion of the sustainability of the actions taken. The results of this assessment are documented in Condition Report (CR) 06-00541 "SNAPSHOT ASSESSMENT 819-PYRC-2006". To address these programmatic issues identified during the self-assessment and the subsequent NRC inspection, FENOC revised its process for development and review of the closure packages. Procedure PYBP-PII-0006, "Performance Improvement Initiative Process," was revised to require a revalidation of the completed closure packages associated with Detailed Action and Monitoring Plan (DAMP) actions for the NRC CAL commitments, the Corrective Action Program initiative and the Human Performance initiative. Also, a discussion of sustainability of efforts has been added to the closure packages. The action to complete the revalidation effort is tracked by CR 06-01013 "PII QUARTERLY SNAPSHOT ASSESSMENT 849-PII-2006- CLOSURE PACKAGE QUALITY". The changes in the PNPP closure process were added to provide for quality closure packages with actions that demonstrate sustainability.

FENOC recognizes that the results of the closure process for CAP PII packages did not meet expectations. This was evident during the NRC's recent inspection and documented by its observations during this inspection. FENOC agrees that enhancements were required and has taken steps to strengthen the closure package review process. The results of the recent Emergency Preparedness inspection and a subsequent self assessment demonstrate that FENOC's review process for its PII closure packages has improved. This improvement will strengthen the quality of documentation associated with PII closure packages.

The following paragraphs provide FENOC's response to findings documented in NRC IR 05000440/2006008. The response format outlined below provides the NRC observations and findings by inspection report item number followed by FENOC's response.

1. 3.6 DAMP Item I.1.6:

No findings of significance were identified; however, the team concluded that the licensee's actions had not adequately implemented DAMP Item D.1.6. The team identified that the only CAP success story that had been published appeared in the November 17, 2005, FENOC fleet newsletter. DAMP Item I.1.6 was closed after that newsletter was published. However, PYBP-P11-0006, "Process Improvement Initiative Process," prescribed DAMP item closure only after several examples of an action involving periodic activities had been accomplished. Following discussions with the team, licensee personnel stated that additional stories would be published. The team also concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify that this DAMP item had not been adequately implemented during the DAMP item review and closure process. However, since the inadequate closure of DAMP Item I.1.6 had no actual impact on the facility, the issue was of only minor significance.

FENOC RESPONSE:

FENOC acknowledges that closure of this CAP P11 action based on the publication of a single CAP success story in the Fleet newsletter was inconsistent with the intent of PYBP-P11-0006 action. CR 06-01451 "Reopen P11 Action CAP I.1.6" was written to re-open DAMP Item I.1.6 until an adequate number of success stories have been published in the Fleet Newsletter to demonstrate implementation of the CAP P11 action. The adequate number of stories will be defined by the action owner. Information from CR- 06-01451 has been captured as DAMP Action I.1.6.1 of the CAP P11.

2. 4.2 DAMP Item I.2.2

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.2.2.

The team determined that the documents reviewed adequately reinforced NOP-LP-2001 and prescribed the behaviors necessary for the successful implementation of the corrective action program. However, the team determined that due to a lack of quality and attention to detail, during the DAMP item review and closure process, licensee personnel failed to address whether PYBP-SITE-0046 and a handout entitled "FENOC CR Initiation Guidance," had been distributed to the staff. The team independently determined that these documents were appropriately made available to licensee personnel both electronically and during training. Licensee personnel generated CR 06-00576, "DAMP Item I.2.2. Did Not Provide Complete Closure Documentation," to enter this issue into the corrective action program.

FENOC RESPONSE:

FENOC successfully developed and distributed the expectations documents as required by DAMP Item I.2.2. These documents reinforce the requirements of procedure NOP-LP-2001 "Corrective Action Program". The closure package documentation supporting how distribution was accomplished was incomplete. CR 06-00576 was written to address this issue and requires that the closure document be revised to include documentation indicating how distribution was accomplished. This DAMP action may be closed when a revised closure document has been successfully reviewed and approved.

Information from CR- 06-00576 has been included as a revision to the DAMP action table.

3. 4.3 DAMP Item I.2.3

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.2.3.

Although the team concluded that DAMP Item I.2.3 had been adequately implemented, the team identified that documents and training that addressed system walkdowns were inconsistent and prescribed different types and frequencies of walkdowns. For example, CR 05-02725, "Substantive Cross-Cutting Issue, Problem Identification and Resolution," stated that "paired" system walkdowns would be conducted "once"; PESP-09, "System Walkdowns," stated that walkdowns would be performed bi-weekly and quarterly; and training provided to the system engineers prescribed monthly paired walkdowns. These inconsistencies were discussed with a system engineer who stated that his instructions regarding the paired walkdown program were to perform the walkdowns monthly. Based on the team's observations, licensee personnel planned to revise PESP-09 to clearly establish the requirements for monthly paired walkdowns.

The team concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify the inconsistencies described above during the item resolution and closure process.

The team also noted that the practice of conducting a "cross-functional" walkdown as reflected in the DAMP item was not adopted. Discussions with licensee personnel confirmed that the change to the scope of the DAMP item had been reviewed and approved in accordance with licensee procedures.

The team also identified that although supervisors evaluated system walkdown activities on an Observation Card, most supervisors did not consistently evaluate all applicable areas listed on the Observation Card during their observations. For example, most observations conducted within the radiologically controlled area (RCA) did not include an evaluation of the use of personal safety equipment, such as eye and hearing protection; or the implementation of radiation safety practices, such as the obtaining of and use of radiation dosimetry, although personal safety equipment and dosimetry were required for entry into the RCA.

FENOC RESPONSE:

Condition Report (CR) 06-01950 "Issues With PII Action To Implement Paired Walkdowns" has been initiated to investigate the above cited observations. Corrective actions resulting from this CR will ultimately enhance FENOC's ability to self-identify potential plant issues and improve the consistency of processes involved in utilizing the CAP.

The inspection report noted that documents and training that addressed systems walkdowns were inconsistent and prescribed different types and frequencies of walkdowns. The document currently used for defining these expectations is PYBP-PNED-0004, "Conduct of Engineering". Pages 39 and 40 of this procedure states that the Supervisor will do walkdowns on a sampling of systems under his supervision at least once per month. This procedure states "It is preferable that the

plant engineer and supervisor perform joint [paired] walkdowns where feasible". CR 06-1950 will also address the revision of PESP-09 regarding the establishment of monthly paired walkdowns.

In addition, CR 06-01583 "INPO 2006 Equipment Performance Snapshot Self Assessment Items" has been issued to address the practice of conducting cross functional walkdowns.

Finally, CA 06-01950-1 will initiate actions to define the expectations on how to use the observation card for walkdowns. These expectations will include discussions on identifying what items on the observation card are "applicable" for the walkdown.

4. 5.1 DAMP Item I.3.1

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.3.1.

Overall, the procedures contained appropriate guidance and prescribed an adequate, lower threshold for conducting root cause evaluations. However, during the review the team identified a discrepancy in NOBP-LP-2019, "Corrective Action Program Supplemental Expectations and Guidance." In the "Other" category of NOBP-LP-2019, the identification of organizational-based adverse trends was restricted to those that had an actual impact on safety, rather than those that had impacted or could impact safety as specified in other sections of NOBP-LP-2019. Licensee personnel generated CR 06-00636, "DAMP Item I.3.1 Inadvertent Omission from Attachment 1 of NOBP-LP-2019," to enter this issue into the corrective action program.

The team concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify this error during the item resolution and closure process.

FENOC RESPONSE:

A revision to NOBP-LP-2019 as discussed in CR 06-00636 and noted in IR 05000440/2006008 will strengthen the CAP by instructing personnel to identify organizational based adverse trends that have had or could have an impact on safety as already specified in other sections of this business practice. Business Practice NOBP-LP-2019 will be revised to include the words "or could" under the "Other" category.

Information from CR- 06-00636 has been captured as DAMP action I.3.1.1 of the CAP PII.

5. 5.2 DAMP Item I.3.2

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.3.2.

By direct observation, the team determined that the licensee had implemented a two-step screening process that improved the objectivity, consistency, and cognitive trending of new condition reports; and assigned due dates based on the significance of issues. Through this process, a condition report was sent to the Initial Screening Committee (ISC) for review and discussion, and then to the Management Review Board (MRB) for final approval. Subsequently, the MRB ensured that the condition report was

appropriately screened for "Category," "Assigned Group," and "Due Date." The MRB also discussed complicated and/or significant condition reports. The ISC was instituted by procedure, with required training for its members, and was accountable to the MRB.

Although not directly associated with the accomplishment of this DAMP item, the team noted that the licensee did not compare initial and final "Category" determinations between the ISC and MRB. The team concluded that this was a missed opportunity to monitor the alignment between supervisors and managers. Licensee personnel generated CR 06-00589, "No Indicators to Track Deltas from Condition Report Categorizations," to enter this issue into the corrective action program.

FENOC RESPONSE:

As noted in the inspection report, CR 06-00589 was initiated to investigate the finding identified by NRC inspectors. As result of the investigation, PYBP-SITE-0045 "Initial Screening Committee" Section 4.4 was revised to include a provision that the Performance Improvement Unit (PIU) would provide periodic feedback to supervisors, managers, and ISC members regarding changes made to condition reports resulting from ISC/MRB reviews.

6. 5.3 DAMP Item I.3.3

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.3.3.

The team identified that the closure documentation had not credited the revision to NOBP-LP-2011, which was necessary for closure of the DAMP item. However, through discussions with licensee personnel, the team determined that Revision 3 to NOBP-LP-2011, "FENOC Cause Analysis," specifically addressed the DAMP item. Licensee personnel generated CR 06-0604, "DAMP Item I.3.3 Did Not Provide Complete Closure Documentation," to enter this issue into the corrective action program.

The team concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify that the item closure documentation associated with this DAMP item was not adequate to close the item during the item closure process.

FENOC RESPONSE:

As noted in the inspection report, CR 06-0604 was initiated during the inspection as a measure to sufficiently complete the closure documentation package associated with DAMP Item I.3.3. The corrective action associated with this CR requires the addition of a reference to specific steps of NOBP-LP-2011 to be included in the closure package for DAMP item I.3.3. This action is intended to clarify how Significant Conditions Adverse to Quality investigations involving human performance or organizational issues is addressed. Information from CR- 06-00604 has been captured as DAMP action I.3.3.1 of the CAP PII.

7. 5.4 DAMP Item I.3.4

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.3.4.

The subject DAMP item prescribed that for each department, licensee personnel identify and select the appropriate number of evaluators needed to support root cause and apparent cause evaluations. Corrective Action 05-01 043-7, which implemented this DAMP item, prescribed that in addition to the identification and selection of root cause and apparent cause evaluators, that additional necessary personnel to support the CR Analyst position also be identified and selected.

During the review of CA 05-01043-7, the inspectors determined that the licensee's actions adequately implemented the DAMP item. However, the team also identified that licensee personnel had not identified or selected the individuals to support the CR Analyst position, although CA 05-01 043-7 had been closed.

To address this issue, licensee personnel generated CR 06-00697, "DAMP Item I.3.4 Closed Correctly However, Reference CA Not Complete," to enter this issue into the corrective action program. Subsequently, licensee personnel identified the number of CR analysts needed.

The team verified that the appropriate number of CR analysts were either trained or scheduled to attend training to meet necessary CR analyst staffing levels. The team concluded that the closure of CA 05-01 043-7 was premature since all CR Analyst positions had not been filled as required by CA 05-01043-7. However, since the issue was associated with the staffing levels of CR analysts, and there had been no identified impact on the facility during the period the issue existed, the issue was of only minor significance.

#### FENOC RESPONSE:

DAMP Item I.3.4 states "Determine the appropriate number and select the appropriate individuals to obtain Root Cause Evaluator (RCE) and/or Apparent Cause Evaluator (ACE) qualification". CR 06-00697 was written during the inspection and noted that the PIU verified that the PNPP met the minimum recommendations from CA 05-01043-7 for qualified apparent and root cause evaluators and CR analysts. However, the number of analysts listed in CAP Resource Allocation table attached to the corrective action did not match the number of named analysts contained in the Perry CAP Role Assignment table. The allocation table contained additional resources which made the minimum manning it prescribed different from the number contained in the CAP role assignment table. As stated in CA 05-1043-07, no other resources will be allocated other than those listed by name. The number of analysts listed by name in the Perry CAP Role Assignment table is sufficient to support the CR Analyst position. Since a requirement specifying the number of CR Analysts does not exist, CR 06-02328 has been written to ensure the PII closure documentation for the number named of analysts in the CAP role assignment table is sufficient to support the CR Analyst position.

Information from CR 06-00697 has been captured in DAMP Item I.3.4.1

#### 8. 5.5 DAMP Item I.3.5

No findings of significance were identified; however, the team concluded that the licensee's actions had not adequately implemented DAMP Item I.3.5.

The team reviewed NOBP-LP-2007, "Condition Report Process Effectiveness Review," and confirmed that it eliminated the nominal 6 month guideline for performing

effectiveness reviews and added the evaluation of corrective action effectiveness at the earliest practical opportunity. In addition, the process incorporated a corrective action effectiveness review following a challenge to a system, component, or process, sufficient to evaluate whether the corrective actions were effective.

However, the team identified that the procedure failed to address the performance of early effectiveness reviews based on, for example, negative trends. Licensee personnel generated CR 06-0080 (SIC), "DAMP Items I.3.5 and I.8.4 Incomplete," to enter this issue into the corrective action program.

The team concluded that the licensee's actions had not adequately implemented DAMP Item I.3.5. The team also concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify that this DAMP item had not been adequately implemented during the DAMP item review and closure process. However, since the inadequate closure of DAMP Item I.3.5 had no actual impact on the facility, the issue was of only minor significance.

#### FENOC RESPONSE:

CR 06-00808 "DAMP Items I.3.5 and I.8.4 Incomplete" was written during the inspection to address the above NRC observation. CA 06-00808-01 notes that NOBP-LP-2007, Step 4.1.3 of NOBP-LP-2007 provides guidance regarding early performance of effectiveness reviews. This step states in part that in establishing the effectiveness review date, the period of time should be long enough to allow for situations to arise that would challenge the corrective actions that were implemented, but not so long that an ineffective corrective action could exist without being identified or addressed. In other words, evaluate effectiveness at the earliest expected opportunity. Step 4.2.3 also states "Because it is not desired to default to a specified period of time after the last corrective action closes, the plan shall also consider and specify when possible, the earliest opportunity that should exist for when a determination of effectiveness can be made. In these cases, the due date for the Effectiveness Review should correspond to when that opportunity exists. "

In addition, CR 06-01953 "NRC Inspection Report Identified A Need For Guidance For Early Effectiveness Reviews" was initiated after the NRC inspection to determine what conditions would trigger an early effectiveness review. The term "negative trend" was removed from the DAMP because FENOC believes that it was an inappropriate trigger. The current procedure has sufficient triggers for performing effectiveness reviews. PNPP's guidance regarding the performance of effectiveness reviews, as documented in NOBP-LP-2007, is consistent with the industry.

Information from the above CRs has been captured in DAMP Item I.3.5.1

#### 9. 6.1 DAMP Item I.4.2

No findings of significance were identified; however, the team concluded that the licensee's actions had not adequately implemented DAMP Item I.4.2.

To strengthen the root cause evaluator training plan and qualification requirements, licensee personnel modified the training and certification program to require a 5 day root cause methodology-specific training course, removed the previous 2 day training course

as an acceptable method for certification, and added a generic root cause training course. The generic training course also prescribed that the expectations for performing root cause evaluations be discussed.

In reviewing these changes, the team determined that the training was managed by FENOC corporate office personnel. In addition, the team determined that the generic root cause training course had not been fully developed and that the only action that had been implemented was to place a non-specific course description in the training plan. The team also determined that this revised training and certification program had been approved and implemented in December 2005.

Based on the above information, the team inquired about the controls in place to prevent the corporate office from inadvertently revising the training requirements or the content of lesson plans in a manner that would nullify the outcomes prescribed by the DAMP item. Further, because the training program required a course for which no lesson plan existed and no waivers had been granted, the team questioned the certification of individuals currently performing root cause evaluations and the certification of Corrective Action Review Board (CARB) members for root cause training.

During followup discussions, the team identified that although FENOC corporate office personnel had issued the proposed training and certification program revision to the site for review, the training organization, responsible for tracking certifications, had not been provided a copy for review. Further, no mechanism existed to ensure that the results of the implementation of DAMP items were not inadvertently nullified through the issuance of a revised business practice. This team concluded that the licensee's coordination effort did not appropriately ensure that organizations were provided the opportunity to review the changes prior to their implementation. Licensee personnel generated CR 06-00630, "No Process Exists to Prevent Inadvertent Changes to Closed PII Actions," to enter this issue into the corrective action program.

While addressing the team's question regarding individual certifications, site and FENOC corporate training personnel realized they had not adhered to site procedures or the change management plan when implementing the revised training and certification program. In an attempt to correct the situation, FENOC corporate office personnel issued a memorandum dated February 10, 2006, which stated that all individuals remained certified. However, the team identified that the memorandum was not consistent with site procedures since the granting of a waiver required the evaluation of an individual's qualification against the original and revised lesson plans and, as previously stated, no revised lesson plan existed for the generic root cause training course.

On February 17, 2006, licensee personnel informed the team that they planned to re-implement the previous training and certification program that existed prior to the revisions. Licensee personnel also generated CR 06-00784, "Issues With Implementation of Revised CAP Training," to review the condition and review individual certifications while the revised program was in effect.

The team also noted that DAMP I.4.2 prescribed that the generic root cause training course would include "FENOC specific expectations for conduct of a root cause evaluation." However, the team identified that the course description did not specify what would be included in the training course. The team further noted that although completion of only one of the four 5 day methodology-specific training course was required for certification as a root cause evaluator, the root cause evaluator training

course description listed all four methodology-specific 5 day training courses as prerequisites for root cause evaluator certification.

The team also noted that NOBP-LP-2011, Section 4.5.3, stated, "Appropriate methodologies should be selected by the investigators and used appropriately." However, the practice did not require that the individual(s) making the determination of which method to use, be qualified in the selected method.

The team concluded that DAMP Item I.4.2 had not been adequately implemented since the actions taken by licensee personnel had not strengthened the root cause investigators training plan and qualification requirements. The team also concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify that this DAMP item had not been adequately implemented during the DAMP item review and closure process. However, because the inadequate closure of DAMP Item I.4.2 had no actual impact on the facility, the issue was of only minor significance.

#### FENOC RESPONSE:

The inadequate implementation of DAMP Item I.4.2 was investigated by CR 06-00630 and CR 06-00784.

As noted in the inspection report, CR 06-00630 was initiated to address the concern of potentially nullifying the implementation of a DAMP item due to a revision of a procedure or process. PYBP-PII-0006 "Performance Improvement Initiative Process" was revised to require that one step in closing a PII action would involve verifying a reference to the PII action is included in the reference section of the procedure impacted by the PII action. This closure requirement is applicable to currently open PII actions and closed actions requiring revalidation. Actions requiring revalidation are those associated with the CAP implementation improvement and Excellence in Human Performance Initiatives. Additionally, actions that are Confirmatory Action Letter commitments will also be revalidated.

The less than adequate implementation of the root cause training and certification of personnel that included change management and procedural adherence issues was investigated by CR 06-00784. The issue of change management of non-accredited training programs tracked in the FENOC Integrated Training System (FITS) was reviewed to determine extent of condition. An apparent cause analysis concluded that the incident identified in the NRC inspection report appeared to be isolated. Completed actions taken by FENOC as part of CR 06-00784 include: 1) Rescinding the training plan change implemented on 12/8/05, 2) Restoring the view of FITS qualifications which indicates the previously certified RCE evaluators as being certified,; and 3) Indoctrination of the Fleet RCE Owner regarding the FITS qualification tracking program and appropriate methods to make training program changes. CA 05-07223-9 which was inappropriately closed will also be reissued as a new corrective action associated with CR 06-00784.

CR 06-01954 "NRC IR 05000440/2006008 Review of PII Item I.4.2" has been initiated to develop a corrective action to address the issue regarding the course description not containing a description of what was included in the training course. Further, NOBP-LP-2011, Revision 5, Sect. 4.2.2.1 now states, "Investigations shall be performed using a formal Root Cause methodology per Section 4.5 with a recognized methodology such as KT, MORT, TapRoot®, PII, etc. 1. At least one

assigned investigator shall be trained in the formal RC methodology that is used for the investigation.”

Information from the above CRs has been included in DAMP Item I.4.2.

#### 10. 6.3 DAMP Item I.4.5

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.4.5.

The team noted that the licensee had developed a guidance document for pre-job briefings. In reviewing the document, the team identified that the licensee had exceeded the actions prescribed in DAMP I.4.5.

During the pre-job briefing process review, the team determined that the guidance addressed when a pre-job briefing was to be conducted, and how to document the briefing for root cause evaluations; however, no written guidance existed for pre-job briefings for apparent cause evaluations. During follow up discussions with licensee personnel, the team verified that pre-job briefings were being conducted for apparent cause evaluations; however, without written guidance, the long-term ability to sustain the effort was questionable.

The team also identified a discrepancy in the Closure Documentation Summary for DAMP Item 4.5. The documentation stated, "...each day at the MRB, the MRB Chairperson discusses the need for the pre-job brief with each Manager and refers them to the Apparent Cause Expectation brochure to be used in the Apparent Cause investigation pre-job brief." During follow up discussions, the team was informed that the actual expectation was that the MRB Chairperson would discuss the need for a pre-job briefing on Tuesdays and any time a new apparent cause evaluation was brought before the MRB.

The team also identified that although the DAMP item stated, "Identify where mentoring is required to improve critical thinking," there was no documentation that required this to be accomplished or evidence that it had been accomplished. The team also identified that the closure package review did not identify this deficiency.

The team concluded that notwithstanding the omission of actions to address mentoring to improve critical thinking, the licensee's completed actions were sufficient to consider this DAMP item, overall, to have been adequately implemented.

The team also concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify that some aspects of this DAMP item had not been implemented during the DAMP item resolution and closure process.

#### FENOC RESPONSE:

Subsequent to receipt of this report, CR 06-01955 "NRC Identified Comments on PII I.4.5" was written to address findings noted in this inspection report section. The corrective actions associated with this CR will strengthen the implementation of this DAMP action by requiring the inclusion of guidance for Apparent Cause Evaluations in the appropriate document. The corrective actions will require that the closure documentation summary be revised to state "The Management Alignment and Ownership Meetings (MAOM) discuss the need for a pre-job briefing on Tuesday and

any time a new apparent cause is brought before the MAOM." Procedure PYBP-SITE-0046 will be revised to document that the pre-job brief for root and apparent causes will include discussion to identify if and when mentoring is required to improve rigor and critical thinking.

#### 11. 8.1 DAMP Item I.6.1

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.6.1.

The team identified that the Corrective Action Closure Board (CACB) had been established, and had been provided the authority to review apparent cause evaluations through the implementation of PYBP-SITE-0042, "Corrective Action Closure Board Charter." The CACB had performed this function through December 2005 when the CACB was suspended due to the unavailability of resources. Although the licensee planned to reinstate the CACB, the backlog of CAS and CRs requiring review continued to increase. At the end of the inspection, there were about 700 CAs and 270 CRs that required CACB review. In addition, there were a number of apparent cause and root cause evaluations in progress that would also require CACB review.

Although the team concluded that the DAMP item had been adequately implemented at the time the DAMP item was closed, the decision to suspend the CACB activities affected the effectiveness of the actions.

#### FENOC RESPONSE:

Condition Report 06-01956 "NRC IR05000440/2006008 Comments On PII Item I.6.1" was generated to address the issue with the decision for suspending the Corrective Action Closure Board (CACB) activities. FENOC is in the process of reinstating the CACB. Corrective Action 06-01956-01 has been generated to track the process of reinstating the CACB.

#### 12. 8.2 DAMP Item I.6.2

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.6.2.

The team reviewed information related to feedback provided by CACB. In September 2005, feedback from CACB determinations was provided to CR analysts, CARB, and managers through CACB meeting minutes. Subsequently, CR analyst meeting minutes were provided as feedback. In November 2005, feedback was provided both verbally at CR analyst meetings as well as through e-mail correspondence. Through discussions with CR analysts, the team determined that written feedback alone frequently did not provide sufficient detail for the CR analysts to understand the basis for CACB determinations. To improve their understanding of CACB determinations, CR analysts proactively attended CACB meetings.

The team noted that the CACB review and feedback process had not been formalized. The team concluded that the lack of a formal process to provide feedback on CACB determinations to CR analysts, CARB, and managers could impact the long-term effectiveness of the actions.

FENOC RESPONSE:

Condition Report 06-01948 "NRC Inspection Report IR05000440/2006008 Lack of Formal Processes" was generated to address the issue with formalizing the CACB review and feedback process. The CACB review and feedback process will be incorporated into the existing plant procedure, PYBP-SITE-0042, "Corrective Action Closure Board Charter." Addition of this activity in the plant procedure will assure effectiveness of actions.

13. 9.1 Commitment 2.c/DAMP Item 1.7.1

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented Commitment 2.c and DAMP Item 1.7.1.

The team determined that the licensee had implemented appropriate review processes to routinely monitor corrective action program performance. In addition, corrective action program key performance indicators (KPIs) had been developed with color-coded thresholds to monitor performance. In some cases, condition reports were generated to document red and yellow KPIs and to track development and implementation of corrective actions when expectations were not met.

The team determined that some actions had been implemented to improve corrective action program performance when program performance expectations were not met. Management feedback to corrective action owners, the appointment of management sponsors for corrective action program products, and the analysis and development of a closure plan to address KPI performance gaps were all examples of actions that the licensee had implemented to address corrective action program performance issues. However, a formal mechanism to address KPI issues within the licensee's corrective action program did not exist. In particular, licensee personnel had not developed written guidance that prescribed the generation of a condition report to address declining KPIs, performance gaps between actual and expected performance, the development of action plans to reduce the gap between actual and expected performance, or the tracking of the success of action plans to address identified performance deficiencies. Although specific guidance did not exist, the team did not identify any declining KPIs for which appropriate corrective actions had not been implemented.

The team concluded that the lack of a formal process to address KPI issues could impact the long-term effectiveness of the actions. Licensee personnel generated CR 06-00787, "Inconsistencies With GAP Closure plans for Red/Yellow CAP KPIs," to enter this issue into the corrective action program.

FENOC RESPONSE:

As discussed above, CR 06-00787 was generated during the inspection to address the concern with not having a formal process to address KPI issues. The CA associated with this CR addresses the NRC observation regarding lack of formal processes. In addition, CR 06-01948 "NRC Inspection Report IR05000440/2006008, Lack of Formal Processes" was generated following the NRC Inspection to address specific issues regarding the lack of formal processes that impacted other DAMP PII actions.

PIU will develop and document a process that defines Section level responses to their KPIs, when gap closure plans are to be developed and reviewed, (and what

communications will be disseminated from these reviews). This process will be documented in PYBP-SITE-0046., "Corrective Action Program Implementation Expectations." Information from these CRs is captured in DAMP PII Item I.9.7.

14. 9.3 DAMP Item I.7.3

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.7.3.

The team verified that two additional managers had been certified as CARB members, which improved the licensee's ability to meet CARB quorum requirements. However, the team determined that a process had not been established to maintain a specific number of qualified CARB members after this DAMP item was closed.

The team concluded that the lack of a formal process to maintain a specific number of qualified CARB members could impact the long-term effectiveness of the actions.

FENOC RESPONSE:

Condition Report 06-01948 was generated to address the issue with formalizing the Corrective Action Review Board (CARB) process to maintain a specific number of qualified CARB members. This formal process will be incorporated into the existing plant procedure, PYBP-SITE-0046. Addition of this activity in the plant procedure will assure effectiveness of actions.

15. 9.4 DAMP Item I.7.4

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.7.4.

The team noted that CARB/CACB feedback was routinely provided during monthly CR analyst meetings and in certain cases, CARB/CACB meeting notes were electronically distributed to select site personnel. At times, CR analysts personally attended CARB meetings to receive feedback. The team did not identify a specific feedback process by which lessons learned were disseminated to "general site personnel" so that the corrective action program could be continuously improved.

Similar to DAMP I.6.2, the team concluded that the lack of a formal CARB/CACB feedback process could impact the long-term effectiveness of the actions.

FENOC RESPONSE:

Condition Report 06-01948 was generated to address the issue with formalizing the CARB/CACB feedback process. This process will be incorporated into the existing plant procedure, PYBP-SITE-0046, "Corrective Action Program Implementation Expectations." Addition of this activity in the plant procedure will assure effectiveness of actions.

16. 9.5 DAMP Item I.7.6

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.7.6.

The team reviewed information related to the number of root cause qualified CARB members necessary for the CARB to meet minimum quorum requirements. During the review, the team noted that three additional managers had been credited for root cause training, which provided an increased ability to meet CARB quorum requirements. The team also noted that no process was in place to maintain a specific number of root cause-trained CARB members after this DAMP item had been closed.

The team concluded that the lack of a formal process to maintain a specific number of root cause-trained CARB members could impact the long-term effectiveness of the actions.

FENOC RESPONSE:

Condition Report 06-01948 was generated to address the issue with formalizing the Corrective Action Review Board (CARB) process to maintain a specific number of root cause-trained CARB members. This formal process will be incorporated into the existing plant procedure, NOBP-LP-2008, "FENOC Corrective Action Review Board." Addition of this activity in the plant procedure will assure effectiveness of actions.

17. 10.1 DAMP Item 8.1

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item I.8.1.

The team noted that although completion of the Job Familiarization Guide (JFG) was not a prerequisite for the Section Operating Experience (OE) Coordinator position, it was considered by the licensee as an enhancement necessary to fully implement the station OE program. The team verified that at the time the DAMP item was closed, all original Section OE Coordinators had received the JFG training.

However, the team identified that although three replacement Section OE Coordinators had been designated since the DAMP item had been closed, these newly assigned Section OE Coordinators had not completed the JFG training. In addition, the team identified that a process had not been established to ensure newly assigned Section OE Coordinators completed the JFG training.

The team concluded that the lack of a formal process to qualify Section OE Coordinators could impact the long-term effectiveness of the licensee's actions.

FENOC RESPONSE:

Condition Report 06-00217 "PY-C-05-04 Yellow Rating For Operating Experience Element - CAP" was generated to document the results of a Nuclear Quality Assurance Audit (NQA) of station's operating experience (OE) program. During this NQA audit, a similar issue was raised regarding timely completion of JFG for those newly assigned individuals and concern with unfilled Section OE Coordinator positions. Although this issue was addressed in December 2005, subsequent personnel transition has resulted in several unfilled Section OE Coordinator positions in 2006. Furthermore, organization change management (i.e., personnel transition and change to the information processing program) adversely impacted the station's

capability to assess OE in a timely manner. Resolution of the above issues is being tracked in CR 06-00217.

Additionally, CR 06-01948 was generated to address the issue with formalizing the process to qualify and maintain Section OE Coordinators. This issue has been addressed in a document change request and is being tracked to ensure completion of this activity.

18. 11.1 DAMP Item D.I.6

No findings of significance were identified and the team concluded that the licensee's actions adequately implemented DAMP Item D. I.6.

The team reviewed SA 761 PYRC-205, "Perry Corrective Action Program Self-Assessment," and determined that it provided a thorough assessment of the corrective action program.

However, the team could not determine whether the assessment could be considered as having been performed externally since two of the five self-assessment auditors were licensee staff members and the licensee had not defined the requirements for a self-assessment to be considered externally conducted. Licensee personnel generated CR 06-00613 "NRC Definition of External is Different Than What They Observed," to enter this issue into the corrective action program.

In addition to documentation associated with this DAMP item, the team reviewed the results of two licensee audits and a "Corrective Action Program Summit" meeting that were conducted to identify additional areas for improvement in the corrective action program. The audit results identified many of the same issues identified by the team. In some cases, corrective actions were planned, but had not been implemented prior to this inspection. Although the licensee's corrective actions to address the issues had not been implemented, these actions represented additional licensee efforts to improve the implementation of the corrective action program.

FENOC RESPONSE:

CR 06-00613 was written during the NRC inspection to document the concern with closure of CA 04-02468-46. Self-Assessment SA 761PYRC2005 was conducted utilizing personnel external to the company and personnel from PNPP. The team make-up for this focused self-assessment included the team lead who was an external independent consultant, an industry peer member (external/independent), an INPO assist member (external/independent), a PNPP Root Cause Analyst, and a PNPP Condition Report Analyst. The guidance contain in Step 4.4.1 of NOBP-LP-2001 "FENOC Self Assessment / Benchmarking" states "The team lead and/or sponsoring director/manager shall work with the FENOC sites to ensure that team members with the correct make up of cross-functional expertise are assigned from each site. The guidance contained in Attachment 2 should be considered in assigning team members." Attachment 2 further states that, "Self-assessment teams should routinely include members from other departments (preferably from a "customer" functional area, as applicable), other stations, or external organization." Current guidance in NOBP-LP-2001 uses the term "external" to describe team composition, (i.e. personnel that are outside of the organization being assessed). The team make-up mentioned in SA 761PYRC2005 met the objective of NOBP-LP-2001 for performing the focused self assessment.

As noted in the NRC inspection report, the actions resulting from the CAP Summit have strengthened the role of CAP within FENOC. Post summit activities have evolved into programmatic measures utilized in the PNPP CAP. A few examples of post summit measures include the development of pre-job briefing cards for ACEs, the creation of a Root Learning Map as a training tool for CAP, and the initiation of weekly reviews of CAP at Management Alignment and Ownership Meetings. The implementation of actions discussed at the summit will continue to move FENOC towards its objective of the stabilization and steady improvement of performance indicators and assessments with improving results.

19. 11.2 DAMP Item D.9.2

No findings of significance were identified; however, the team concluded that the licensee's actions had not adequately implemented DAMP Item D.9.2.

Corrective Action 04-02468-69 was generated to implement DAMP 9.2 and stated that the corrective action was to "develop a method to assign clear, single point ownership of root cause CRs ..." The team determined that CR 04-02468 had been closed as an "intervention action" and a method to assign clear, single point ownership had not been developed.

The PIU supervisor informed the team that the issue of ownership had been discussed with the CARB and the MRB. The subject condition report assigned the responsibility for completing the associated corrective action to CARB and identified that this item had been added to the agenda as a standing item for the 1<sup>st</sup> Thursday of each month. The PIU supervisor also stated the action was not proceduralized as it was an intervention action. In addition, the individual who closed CR 04-02468 stated that the issue was only applicable to a limited number of CRs and was not intended to be a long-term corrective action.

The team determined that Section 4.7.1 of NOP-LP-2001 required that the MRB validate or establish a CR condition owner. Further, if a root cause evaluation was determined to be warranted to review the issue(s) identified in the CR, the MRB was required to ensure a director level individual was designated as root cause sponsor. The team identified that although Step 4.4.3.5 of NOP-LP-2001 prescribed the selection of a Condition Owner, the owner's responsibilities were not defined. In addition, the team was unable to identify in NOP-LP-2001 or other documents where one individual was identified with the responsibilities as prescribed by the DAMP item. In particular, the team was unable to identify any documentation that defined an individual as being a single point "owner" of root cause CRs, from CR investigation through CA implementation and effectiveness review completion for each root cause CR. Licensee personnel generated CR 06-00767, "Corrective Action Alternately Closed Without Proper Approval," to enter this issue into the corrective action program.

The team concluded that due to a lack of quality and attention to detail, licensee personnel failed to identify that this DAMP item had not been adequately implemented during the DAMP item review and closure process. However, because the inadequate closure of DAMP Item D.9.2 had no actual impact on the facility, the issue was of only minor significance.

FENOC RESPONSE:

Condition Report 06-00767 was generated to address the concern with inappropriate closure of Corrective Action (CA) 04-02468-69. This CA was not implemented as described which supported the closure for DAMP action D.9.2. CR 04-02468 was initiated to address Nuclear Quality Assurance (NQA) assessment (ref: PY-C-04-1) for first quarter 2004, which identified the Corrective Action Program effectiveness as marginal resulting in the potential for repeat issues to occur. The corrective action associated with CR 06-00767 requires that procedure PYBP-SITE-0046 be revised to require a single point of ownership for each root cause condition report.

20. 12.0 Key Performance Indicators (KPIs)

No findings of significance were identified.

The team verified that KPIs for the corrective action program had been developed and were adequately maintained. The KPIs defined thresholds for acceptable performance for specific corrective action program functions and tracked actual numbers or percentages against the pre-defined thresholds. The performance level for each KPI were color-coded (green, white, yellow, red) to facilitate performance monitoring. Based on a review of the most recently issued KPIs, in general, the KPIs reflected an improving performance trend.

The licensee's expectation for yellow or red KPIs was that a condition report should be generated and corrective actions should be implemented to address the issue. The team reviewed a number of condition reports that had been generated to document red and yellow KPIs. The corrective action program was used to track the development and implementation of corrective actions to improve performance. The team also noted a number of actions had been implemented to improve corrective action program performance when program performance expectations were not met. Management feedback to corrective action owners, the appointment of management sponsors for corrective action program products, and the analysis and development of a closure plan to address KPI performance gaps were all examples of actions implemented to address corrective action program performance issues. However, a formal mechanism to address KPI issues within the licensee's corrective action program did not exist. In particular, licensee personnel had not developed written guidance that prescribed the generation of a condition report to address declining KPIs, performance gaps between actual and expected performance, the development of action plans to reduce the gap between actual and expected performance, or the tracking of the success of action plans to address identified performance deficiencies. Although specific guidance did not exist, the team did not identify any declining KPIs for which appropriate corrective actions had not been implemented.

The team concluded that the lack of a formal process to address KPI issues could impact the long-term effectiveness of the actions. Licensee personnel generated CR 06-00787, "Inconsistencies With GAP Closure plans for Red/Yellow CAP KPIs," to enter this issue into the corrective action program.

FENOC RESPONSE:

Please refer to Section 9.1 Commitment 2.c/DAMP Item I.7.1 for a discussion of the resolution of the above issue.