February 13, 2003

Dear ████████:

On February 6, 2003 the Shift Managers and Assistant Operations Managers met to discuss the Business Plan. We recognized that our fundamental gaps are knowledge of the Business Plan and how to behave so that we effectively translate the Business Plan and Top Quartile Goals into day-to-day station activities.

Using the accountability model, we developed a two-pronged approach to close these gaps. Our action-based strategy is to:

First, learn and execute the Level 1 action plans by:

a) Deciding and assigning each Level 1 Action Plan to a Shift Manager

b) Becoming a subject expert on the assigned Action Plan.

c) Educating the team through our Leadership Meetings.

d) Recommending Shift Manager actions to support Action Plans.

e) Executing recommendations.

f) Checking and adjusting against measures through our Leadership meetings.

Second, utilize the Change Management Process to effectively integrate the Shift Manager as a leader in the organization.

Although I was not able to attend the meeting on 01/16/03, I have reviewed the handout and discussed the agenda with my peers and my managers. In addition, I have reviewed the business plan and spent a considerable amount of time reflecting on my role in our organization and how my personal performance has impacted it. My personal takeaways are as follows:

As a station leader, I am accountable for station performance. It is clear to me that we have significant gaps in the areas of safety, reliability, cost, and people. It is equally clear to me that the common thread running through all of these issues has been our inability to effectively resolve them through outstanding leadership. I have attached a summary of the gaps I identified in my review of the agenda handout, WANO/INPO observations, and 2003 Business Plan. I am in the process of creating my Performance Partnership, and it will address the actions needed to close these gaps. In addition, I have also included a list of potential goals/measures that I will be using to help guide my CRS's in creating their Partnerships.

R-16

. It is easy to blame those above us for not solving the problems associated with our poor performance, and I have fallen into this trap in the past. Outstanding leaders don't do this because they understand that this behavior ultimately detracts from their power to be part of the solution. We need to work together as a team to resolve issues and continuously improve our performance, and I am part of this team. At times I have distanced myself from my team, choosing to play small instead of playing big. My fear of failure, fear of looking bad, and fear of being overwhelmed or not meeting expectations are some of the reasons I have done this in the past. I have been guilty of narrowly defining the role of the Operations Superintendent such that it becomes a barrier to what is actually possible. I know that great leaders do not allow their fears to stop them from achieving their goals, and I want to be a great leader.

I also want to thank both of you for your support and guidance this past year-it really meant a lot to me. Although 2002 was the most challenging year in my career to date, it was also one of the most rewarding. In dealing with these challenges, I experienced opportunities for personal and professional growth that would have otherwise been missed. It was your mentoring and coaching, along with that of my peers and supervisors, that helped me make it through a very difficult time. You made a difference with me on a very personal level, and I am grateful for that. Make no mistake about it, I have "jumped on the train", and I am counting on you to keep laying down the track!

Sincerely,
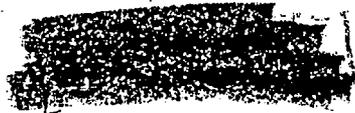
PERFORMANCE GAPS

- INPO INDEX
  - Capability Factor
  - Forced Loss Rate
  - Fuel Reliability

- OSHA RECORDABLES

- BUDGET / c/KWhr

- HUMAN ERROR RATE

- CAP EFFECTIVENESS

- EQUIPMENT RELIABILITY
  - EHC   RMCS
  - RECIRC PPs   SHOP 30's
  - FWH & MS LVL CNTRL   SRVs

- SUPERVISORY OVERSIGHT / ENGAGEMENT

- PROCESS KNOWLEDGE / BUSINESS KNOWLEDGE

- UNION / MANAGEMENT RELATIONSHIP

- CONFIGURATION & CONTROL

MEASURES OF SUCCESS

- NO LERS / NJDPES
- NO PERSONNEL INJURIES (OSHA RECORDABLE 6/3)
- REDUCE HUMAN ERROR RATE BY 50% (Event Free Clock Resets)
- ZERO FORCED LOSS RATE DUE TO HUMAN ERROR
- 100% CAPACITY FACTOR 5/15/03 – 9/15/03 (Forced Outage duration $\leq$ 4 days)
- GALLUP SURVEY IMPROVEMENTS 3.9
- NO OVERDUE CREV's / CRCAs (Avg Days, Grading > 85%)
- LCO WINDOWS $\pm$ 5%
- OUTAGE DURATION < 23 DAYS, IN BUDGET, > 100 DAY RUN
- NO ROR's, ALARA GOALS MET
- UNAVAILABILITY <4 %, TURNOVER < 6%
- HC OPS BUDGET (Overtime Costs)
- CONTROL ROOM INDICTATORS
- WORK MANAGEMENT (Scope Stability / System Health / PM'S 90%).

- NO BREAKTHROUGH TAGGING EVENTS
- PERFORMANCE PARTNERSHIPS (2/14, 7/15, 10/15, 12/15)
- STANDARDS OF IMPLEMENTATION

- Briefs   Identifying Deficiencies
- Procedures   Field Supervisors
- Housekeeping   Operator Rounds

- LESSONS LEARNED / OEF
- PAYOFF'S / SELF-ASSESSMENTS
- TRAINING / OJT / OJE
- STATUS CONTROL
- NO REACTIVITY MANAGEMENT EVENTS

Performance Gap	Actions	Due Date	Result
1.Lack of knowledge – Business Plan contents and performance measures.	Read and understand the Business Plan.	2/16/03	Business plan read and 'focus areas' identified.
	Develop actions to incorporate the 'focus items' from the Business Plan as a perspective for daily activities.	2/28/03	Actions developed and reviewed by AOM. Implementation of actions in daily activities
	Provide documented examples in Performance Partnership notes where the identified actions have been performed and the results achieved. Review results with AOM. Document missed opportunities in Performance Partnership.	Document continuously, Review quarterly	1. An increasing number of examples of steering day-to-day activities is documented in the Performance Partnership over time. 2. 'Missed Opportunities' decrease over time.
2. Lack of knowledge - Plant Processes	Review major procedures – Outage Management (prioritized due to current work assignments)	2/23/03	Improved knowledge of Outage Processes
	Review major procedures – Work Management	3/31/03	Improved knowledge of work management processes.
	Identify additional processes to review	4/15/03	Actions identified to review additional processes.
	Provide documented examples in Performance Partnership where knowledge of plant processes has positively impacted station activities. Also document missed opportunities to check and adjust per the accountability model.	Document continuously, Review quarterly	1. An increasing number of examples of positively impacting station activities is documented in the Performance Partnership due to improved process knowledge, over time. 2. 'Missed Opportunities' decrease over time.
3. Inadequate coaching and exercise of 'Candid and Caring' feedback	Identify opportunities and provide feedback in a 'Candid and Caring' manner. Feedback to be timely, accurate and specific. Ensure I am receptive to feedback and strive to separate the message from the presentation. Provide documented examples in Performance Partnership where this feedback has positively impacted station activities.	Immediately	1. An increasing number of examples of positively impacting station activities is documented in the Performance Partnership due to improved feedback, over time. 2. 'Missed Opportunities' decrease over time.
	Partner with Training to perform a Needs Analysis for Leadership Training improvements in Operations Training.	3/31/03	Needs Analysis complete and timeline established for actions.
	Develop actions for improvements in future Operations department leaders through improvements in Operations Training based on the needs analysis.	6/30/03	Action plan identified to allow program integration / implementation.
4. Additional actions to be added to align my activities with actions identified by Ops for effectively integrating the "Shift Manager" role.	TBD based on group activities – This document to be a living document	TBD	TBD