

December 11, 2006

Mr. Britt T. McKinney
Senior Vice-President & Chief Nuclear Officer
PPL Susquehanna, LLC
769 Salem Boulevard - NUCSB3
Berwick, PA 18603-0467

Subject: NRC Office of Investigations Cases 1-2005-034, 1-2006-029, 1-2006-033 and
1-2006-037

Dear Mr. McKinney:

On August 31, 2005, the Region I Field Office, NRC Office of Investigations (OI), initiated an investigation (Case No. 1-2005-034) to determine whether a Susquehanna Maintenance Department foreman knowingly directed untrained/unqualified workers to perform dry fuel storage (DFS) tasks associated with vacuum drying operations and transfer trailer movements during the July/August 2005 DFS campaign. OI also investigated whether the same foreman: (1) knowingly directed and or pressured workers to sign off training equivalency determination records indicating that they had completed training when they had not; (2) fraudulently signed three specific training equivalency determinations records for a number of workers; (3) knowingly directed untrained/unqualified workers to "stow/unstow" the mast; (4) fraudulently signed off as having completed upgrade training for the Unit 2 overhead crane when he/she had not; and (5) deliberately operated the overhead crane in two directions at the same time and in a "non-critical" mode during the 2004 DFS campaign. Lastly, OI investigated whether Susquehanna employees deliberately provided incomplete and inaccurate information to an NRC inspector during an inspection of DFS activities.

Based on its investigation, OI found that there was insufficient evidence to conclude that the maintenance foreman engaged in any deliberate misconduct, or that any Susquehanna employee provided the NRC with incomplete or inaccurate information.

On April 10, April 19, and May 25, 2005, OI initiated three other investigations (Case Nos. 1-2006-029, 1-2006-033, and 1-2006-037) to determine whether three workers were discriminated against for engaging in NRC protected activity, specifically, for raising safety concerns regarding refuel floor activities. Testimonial and documentary evidence showed that the workers were transferred to a different work group based on legitimate business reasons. OI reviewed documents and received testimony indicating that Susquehanna management was concerned with the safety of the plant because of a lack of cooperation and communication amongst refuel floor employees (i.e., the fact that several individuals refused to work for, and interact with, the refueling floor foreman). Also, these changes to the work group were used as an initiative to train other employees to facilitate additional certifications.

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In addition to questions regarding matters of alleged discrimination, as part Case No. 1-2006-034, OI questioned over twenty individuals (mostly mechanics/welders) regarding the safety conscious work environment (SCWE) at Susquehanna. OI determined that a great majority of the interviewees stated that they are willing to raise nuclear safety issues using the licensee's processes. Additionally, a great majority of the individuals said they have written ARs/CRs and will continue to do so, and that management does not discourage them from being written or discourage the formal corrective action program from being used.

Additionally, as you are aware, an inspection team performed a Problem Identification and Resolution (PI&R) Inspection (Report 05000387/2006006 and 05000388/2006006) in February 2006. The inspection team assessed the SCWE at the site, including whether individuals were being discouraged in any way from raising safety concerns to their management or to the NRC through formal or informal processes. Specifically, the team interviewed station personnel to assess whether they were hesitant to raise safety concerns to their management and/or the NRC, due to a fear of retaliation. The team also reviewed Susquehanna's Employee Concerns Program (ECP) to determine if employees were aware of the program and had used it to raise concerns. The team reviewed a sample of the ECP files to ensure that issues were entered into the corrective action program.

The inspection team determined that the plant staff were aware of the importance of having a strong SCWE and expressed a willingness to raise safety issues. No one interviewed had experienced retaliation for safety issues raised, or knew of anyone who had failed to raise issues. All persons interviewed had an adequate knowledge of the corrective action program and the ECP. Based on these limited interviews, the team concluded that there was no evidence of an unacceptable SCWE.

While the aforementioned OI investigations did not substantiate that discrimination occurred, and while another OI investigation and NRC inspection did not conclude that there was an unacceptable SCWE at Susquehanna, we feel that PPL should recognize, by way of the number of concerns raised and the feedback provided to OI, that negative perceptions exist among those performing refuel floor activities regarding the advisability of raising safety concerns to PPL management. The NRC is aware that PPL is currently assessing the SCWE at the site and we plan to review the results of your assessment. We believe that it is important that PPL maintain focus in this area to ensure a healthy work environment for all employees at Susquehanna, including those involved in refuel floor activities. In addition, the NRC plans to focus its inspection effort in the SCWE area during our biennial Problem Identification and Resolution Team and during our routine oversight activities at your site.

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

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Should you have any questions regarding this letter, please contact Mr. James Trapp of my staff at (610) 337-5186.

Sincerely,

/RA/

David C. Lew, Director
Division of Reactor Projects

Enclosure:
10 CFR 9.23, Request for Records

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