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Fred Dacimo  
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January 22, 2007

Re: Indian Point Units 2 and 3  
Docket Nos. 50-247 and 50-286  
NL-07-016

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Mail Stop O-P1-17  
Washington, DC 20555-0001

Subject: **Entergy's Plan to Address the Safety Conscious Work Environment at the Indian Point Energy Center**

Reference 1. NRC letter, D. Lew to F. Dacimo, "Indian Point Nuclear Generating Units 2 and 3 Problem Identification And Resolution Inspection Report Nos. 05000247/2006006 and 05000286/2006006 and NRC Request For Response," dated December 21, 2006.

Dear Sir or Madam:

This letter provides Entergy Nuclear Operations, Inc.'s ("Entergy's") response to your letter dated December 21, 2006 (Reference 1). Attachment One to this letter provides Entergy's plan for evaluating the potential "chilling effect" at Indian Point Energy Center (IPEC) and its plan of action for addressing this matter.

Entergy is committed to maintaining a strong safety conscious work environment at IPEC. Since Entergy purchased the plants several years ago, management has taken a number of actions to strengthen and enhance the work environment. Those actions have enabled the units to operate safely and reliably in the midst of the many changes that have accompanied new ownership and new ways of conducting business.

A workplace survey conducted at Entergy's request in 2006, and the December 21, 2006 NRC Problem Identification and Resolution Inspection Report, identified some areas that require additional attention. Entergy recognizes that challenges remain and has recently conducted additional diagnostic activities to better define the issues and to assist in the development of corrective actions.

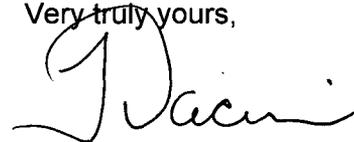
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Based on the results of these diagnostic activities, Entergy has prepared a comprehensive approach to further enhance the safety conscious work environment at IPEC. The actions, many of which are already underway, focus on improved communications with the workforce bolstering confidence in the commitment to a safety conscious work environment, enhancements to the Corrective Action Program and enhancements to the Employee Concerns Program. Attachment One to this letter describes these actions in detail.

Per the guidance in NEI-99-04, "Guidelines for Managing NRC Commitment Changes," as implemented by our procedures, the corrective actions outlined in Attachment One do not meet the criteria as new regulatory commitments. As such there are no regulatory commitments contained in this letter. However, Entergy fully intends to implement the corrective actions described in Attachment One. Entergy uses its Corrective Action Program to track and complete actions of this nature.

We would be pleased to meet with you or have you visit us at IPEC to review our scope of efforts and progress in addressing this issue. In the meantime, if you have any questions, or if you believe that additional discussions would be helpful to aid NRC understanding of the matters discussed in this letter, please contact me at (914) 734-5340 or Mr. Patric W. Conroy, Manager, IPEC Licensing at (914) 734-6668.

Very truly yours,



Fred R. Dacimo  
Site Vice President  
Indian Point Energy Center

Attachment One: Plan to Address the Safety Conscious Work Environment at the Indian Point Energy Center (including Appendix A, Prior Corrective Actions Taken in Response to the 2006 Workplace Survey)

cc:

Mr. Samuel J. Collins, Regional Administrator, NRC Region I  
Mr. David C. Lew, Director, Division of Reactor Projects NRC Region I  
NRC Resident Inspector's Office, Indian Point Unit 2  
NRC Resident Inspector's Office, Indian Point Unit 3  
Mr. Paul Eddy, New York State Department of Public Service

ATTACHMENT ONE TO NL-07-016

**PLAN TO ADDRESS THE SAFETY CONSCIOUS WORK ENVIRONMENT  
AT THE INDIAN POINT ENERGY CENTER**

(19 PAGES)

ENERGY NUCLEAR OPERATIONS, INC.  
INDIAN POINT NUCLEAR GENERATING UNITS NO. 2 and 3  
DOCKET Nos. 50-247 and 50-286

## **PLAN TO ADDRESS THE SAFETY CONSCIOUS WORK ENVIRONMENT AT THE INDIAN POINT ENERGY CENTER**

On December 21, 2006, the NRC provided Entergy Nuclear Operations, Inc. ("Entergy") with the results of its Problem Identification and Resolution ("PI&R") inspection completed by the NRC on October 6, 2006 for Indian Point Nuclear Generating Units 2 and 3. In forwarding the PI&R inspection report, the NRC noted that Entergy had not fully evaluated the results of an earlier safety culture assessment conducted at Entergy's request in the first quarter of 2006. Accordingly, the NRC requested that Entergy provide: (a) "its plan for evaluating the potential chilling effect on site;" and (b) "its plan of action for addressing this matter." This submittal provides the requested information.

### **Introduction**

Over the past several years, many significant organizational and operational changes have affected the workforce at Indian Point Energy Center ("IPEC"). Although the changes have led to record performance at the plants, the inherent difficulty of implementing change and the resulting uncertainty associated with new ways of conducting business have had an effect on the workforce. In some instances, the changes have led to a rise in tension and a reduction in trust between some segments of the work force and management. Management is aware of these effects and has acted to counter them, while still taking those actions necessary to operate the plants safely and efficiently.

The results of the workplace survey, conducted by an outside consultant at IPEC during the first quarter of 2006 ("2006 Workplace Survey") prompted Entergy to take additional corrective actions and to conduct further evaluations in selected disciplines. Entergy management communicated the results of the 2006 Workplace Survey to the workforce and formulated a number of action plans to address the principal findings. As the NRC has recognized, the corrective actions associated with improving the safety conscious work environment were in their early stages when the NRC conducted the PI&R inspection at IPEC in the Fall of 2006.

Following the PI&R inspection, Entergy conducted additional diagnostic activities and took additional corrective actions, which, when coupled with the work performed to date, provide Entergy with a sound basis for understanding the work environment at IPEC, the underlying causes for that environment, and the actions needed to enhance the environment.

### **Background**

As reflected in the 2006 Workplace Survey and the PI&R inspection, the safety conscious work environment at IPEC is generally healthy. Across the site, employees understand their responsibility to raise nuclear safety concerns and are willing to do so. In fact they prefer to raise their concerns with their first line supervisors. Complimenting this willingness to raise concerns through the chain of command is an effective Corrective Action Program. That program has an appropriately low threshold for identifying issues

and an effective process for prioritizing and evaluating the safety significance of concerns. The PI&R inspection report noted that the Corrective Action Program produces timely corrective actions that address the causes for the problems.

The recent operational and performance history of the plant supports these conclusions. Since Entergy's purchase of the site, the record reveals a plant that provides consistently safe and reliable operations. For example, IPEC has completed 14 million man-hours without a lost time accident and both IPEC units performed at record levels in 2006, with Indian Point 2 having the highest generation ever for a refueling year and Indian Point 3 having the highest generation ever for an operational year. 2005 was an equally strong year, with the site setting its then-best ever record for generation.

This performance has not gone unnoticed. The Institute of Nuclear Power Operations, ("INPO") provided IPEC with awards for its significant improvement at INPO's 2003 and 2005 CEO conferences. This rare achievement recognizes the progress that Entergy has made since assuming ownership of the plants.

Despite the existence of a healthy safety conscious work environment and Entergy's history of strong performance at IPEC, a number of circumstances and factors create the potential for significant challenges to the overall work environment. If not addressed, the safety conscious work environment could suffer.

Entergy recognizes that the NRC draws a distinction between the safety conscious work environment at a site, its broader nuclear safety culture, and the overall site and corporate cultures. Consistent with this view, Entergy regards the safety conscious work environment at its sites as the key component of a site's broader nuclear safety culture. A robust safety conscious work environment is the cornerstone of a healthy nuclear safety culture. In turn, the nuclear safety culture helps to define the overall site and corporate cultures. Various components of the organization's culture influence each other. For example, circumstances and events that might not have a direct effect on an employee's willingness to raise nuclear safety concerns can, nevertheless, affect the safety conscious work environment. Likewise, events that cause workers to question management's receptivity to non-nuclear safety concerns may foster a reluctance to raise matters implicating nuclear safety. As a result, Entergy must, and will, remain diligent in maintaining and improving the current good health of the safety conscious work environment at IPEC. Through its diagnostic activity, Entergy is aware, and the 2006 Workplace Survey confirms, that a number of challenges exist.

Although the NRC, the U.S. Department of Labor, and the courts have not found any instance of retaliation by Entergy against IPEC employees who have raised nuclear safety concerns, a perception exists today within a segment of the IPEC workforce that they may suffer in some way if they were to raise a safety concern. Regardless of the validity of that perception, Entergy regards it with utmost seriousness and is committed to taking the necessary and appropriate actions to counter the perception.

Management believes the perception exists because of the tension between management and certain segments of the workforce brought about by the multitude of changes associated with site integration and the consolidation of procedures, processes, and personnel. As mentioned earlier, Entergy's purchase of the units at Indian Point from the two prior licensees brought significant change to the conduct of operations and the nature of the business. New ownership, by itself, can significantly impact the workforce. In this case, a second major factor, the necessary merging of the two previously separate units with their separate site cultures, extended and complicated the period of change. In the midst of this unprecedented change, the rising standards, increased workload, and heightened accountability led to an increase in tension between management and segments of the workforce.

As the entire Entergy nuclear fleet (north and south) seeks to realign and operate in a way that takes advantage of its size, resources, and commonalities, the workforce is anticipating further change. In addition to the general uncertainty associated with any change, employees are concerned that a corporate realignment will include staffing reductions. These possibilities produce unsettling times that cause a variety of reactions in the workforce.

The perceived possibility of workforce reductions may cause some workers to avoid actions that might draw undue attention to themselves. This approach may lead them to hesitate to raise a concern, believing (wrongly) that the articulation of a concern will draw unwanted attention or that it will not be received well by supervision. For others, corporate realignments and the changes that accompany them simply prompt resistance. In this environment, miscommunication and misunderstanding can take root and adversely affect the relationship between management and segments of the workforce. If not addressed, these conditions can eventually affect the safety conscious work environment.

Entergy recognizes that future stresses on the workforce are already on the horizon. The current labor agreement at IPEC will expire at the end of 2007. As a result, negotiations over the terms of a new agreement may begin in the summer of 2007. If past negotiations are any indication of the future, these discussions may well place even greater stress on the relationship between union and management. Entergy expects that the discussions will culminate in a mutually agreeable new contract and a protracted period of labor stability, but the possibility of challenging negotiations, and the resulting impact, remains.

Given these circumstances, Entergy has prepared additional actions that: (a) continue its evaluation of the work environment on site; and (b) provide the framework for the implementation of appropriate enhancements to the work environment to ensure that employees will be comfortable raising safety concerns without fear of retaliation. The plan primarily consists of actions that specifically address the safety conscious work environment, but it also includes some actions that address the broader safety and organizational cultures. Entergy has included these broader actions in this plan because, as noted earlier, a worker who fears retaliation for raising a non-nuclear safety issue may

develop a similar fear of raising a nuclear safety issue. Entergy's goal is to ensure the free flow of information of all types, so that it addresses concerns before they become problems. By so doing, the safety conscious work environment at IPEC will thrive and the plants will continue to operate safely.

### Plan Overview

The plan organizes actions into five principle areas:

1. The designation of responsible individuals
2. The conduct of supplemental diagnostic activities
3. The design and implementation of corrective action
4. Monitoring and adjustment activity
5. The conduct of confirmatory actions

#### 1. The Designation of Responsible Individuals

Entergy management is responsible for creating and sustaining a healthy safety conscious work environment. To be successful, any work environment initiative must have the visible and active support of senior management. Accordingly, the Chief Operating Officer for Entergy Nuclear Northeast is the executive sponsor of this plan and the IPEC Site Vice President is responsible for developing and implementing the site and departmental action plans necessary to improve the work environment at IPEC.

#### 2. Diagnostic Activity

The 2006 Workplace Survey provided Entergy with valuable data about the work environment at IPEC which was consistent with management's understanding of worker perceptions. Survey data, by itself, does not provide management with the needed context to fully understand the situation and to develop appropriate corrective actions to improve performance.

To provide the necessary context, Entergy has conducted two focused diagnostic activities assessing the safety conscious work environment. In addition a review of the broader nuclear safety culture will be completed by March 31, 2007.

##### A. Focused Safety Conscious Work Environment Diagnostic Activities

The 2006 Workplace Survey identified certain organizations as "Priority 1" organizations (organizations recommended for remedial action in the immediate future.) Additionally, the survey revealed a reduction in employee confidence in the Employee Concerns Program ("ECP").

Similar findings arose out of the recent PI&R inspection. The Inspection Report noted that during interviews, most IPEC workers indicated that they would raise nuclear safety concerns, but that some workers perceived that individuals were treated negatively by

management for raising issues. The NRC also reported that few of the workers interviewed by the NRC identified the ECP as an alternative path for raising issues, and most of those persons expressed some concern about confidentiality.

Entergy's self assessments, INPO evaluations, and the NRC's PI&R inspection have found that the IPEC Corrective Action Program produces timely and effective corrective actions. However, the 2006 Workplace Survey revealed a perception among some workers that the Corrective Action Program does not effectively resolve issues.

Given the 2006 Workplace Survey results, Entergy conducted a self assessment of the Entergy Nuclear Northeast ECP in November and December 2006. Also in December 2006, Entergy initiated a broader assessment of the work environment in those organizations identified in the 2006 Workplace Survey as "Priority 1" organizations.

(1) 2006 ECP Self-Assessment

The 2006 Workplace Survey identified a declining level of confidence at IPEC in the ECP. Based upon the survey's results, on April 11, 2006, the Entergy Nuclear Northeast ECP Manager prepared an action plan which included performing an ECP self assessment by the end of 2006. In October 2006, Entergy retained the law firm of Pillsbury Winthrop Shaw Pittman LLP to conduct an independent assessment of the ECP at IPEC, and at Entergy's three other nuclear plants in the northeast. This team conducted its assessment from November to December, 2006.

The ECP assessment team invited feedback from individuals who had raised concerns with the ECP during the prior four years, and interviewed twenty-four individuals at IPEC, nine of whom had raised concerns through the IPEC ECP. Of the remaining fifteen individuals, ten had some prior experience with the ECP, but as non-users.

The assessment revealed a dramatic difference between the experiences of actual ECP users and the perceptions of the non-users. For example, of the nine IPEC ECP users, all reported generally positive experiences, with no one questioning the ECP's maintenance of confidentiality. Additionally, every one of the ECP users indicated that he or she would use the ECP again and would recommend it to others, even though some of these users were not entirely satisfied with the conduct or the outcome of the investigations. Conversely, the feedback from the non-ECP users was decidedly mixed, with non-users questioning the ECP's ability to ensure confidentiality. Likewise, non-users did not uniformly share the users' confidence that employees could use the ECP without fear of retaliation. In light of these findings, and others, the self assessment concluded that "most of the challenges facing [the Entergy Nuclear Northeast] ECP are based on misperceptions of programs that are effectively managed."

(2) Independent Assessment Team

In early December 2006, Entergy chartered an independent assessment team from Talisman International to conduct confidential, structured interviews with individuals.

The individuals selected were principally from the organizations identified as "Priority 1" organizations by the 2006 Workplace Survey. The purpose of the interviews was to better understand the extent of any employee hesitancy to raise concerns and to provide additional insight into the reasons for any such hesitancy.

The assessment team members were: (a) a former NRC Deputy Executive Director for Operations (the assessment team leader); (b) a former NRC Director, Office of Enforcement; (c) a former NRC Associate Director, Inspections and Programs, Office of Nuclear Reactor Regulation; (d) a former NRC Regional Administrator for Region III; and (e) a former senior manager at Pilgrim Nuclear Generating Station, La Salle County Station, and Quad Cities Nuclear Power Station.

As noted, the assessment team focused its efforts on the "Priority 1" organizations. During the period from December 20, 2006 to January 5, 2007, the assessment team interviewed 112 employees, and reviewed various documents associated with IPEC policies, procedures, and events affecting the work environment. The assessment team provided site management with a report of its findings on January 18, 2007.

The results of the interviews conducted by the assessment team were generally consistent with the results obtained in the 2006 Workplace Survey. The results of the interviews were also consistent with management's understanding of the work environment at IPEC. All of the interviewees understood his or her responsibility to raise nuclear safety concerns and indicated a willingness to do so. The overwhelming majority reported a clear preference to report such concerns to first line supervision. Many workers, however, expressed a reluctance to raise non-nuclear safety concerns (*e.g.*, industrial safety concerns) under certain circumstances.

Although all workers indicated that they were aware that they can raise nuclear safety concerns to their supervisors, up the chain of command, or through the CR process, they exhibited varying degrees of awareness of the other reporting mechanisms available to them. Workers' views on the effectiveness of the reporting mechanisms depend, in part, on whether the issue implicates a nuclear safety or whether it implicates some other type of concern. The interviewees reported a higher level of confidence in the effectiveness of the response and corrective action for nuclear safety concerns.

Most workers also indicated an awareness of being able to raise concerns to the NRC and industrial safety concerns to the Safety Department. Some workers also mentioned the Ethics Hotline and the ECP as avenues for reporting concerns, but most had to be prompted to do so. Most of the workers interviewed indicated that they did not have confidence in the ECP's ability to protect the confidentiality of a concerned individual's identity and, based on that belief, would be reluctant to use the ECP. On the other hand, some expressed no hesitation to raise concerns to the ECP and knew of other workers who were satisfied with their experiences with the ECP.

None of the interviewees were aware of any nuclear safety concern that had not been reported.

Entergy has used the results from the 2006 Workplace Survey, the independent assessment, the 2006 ECP Self Assessment, and other input and data to supplement ongoing efforts to enhance the work environment. These additional corrective actions appear in Section 3 below.

#### B. Supplemental Diagnostic Activity

The assessments described above were designed to ensure that Entergy thoroughly understood the safety conscious work environments in the "Priority 1" organizations and the issues associated with the Corrective Action Program and the ECP, so that it could take any necessary corrective actions.

To better assess the site's broader nuclear safety culture and to determine whether the 2006 Workplace Survey, the ECP Self Assessment, and the independent assessment captured all the key work environment and safety culture issues facing the station, Entergy will conduct a review of relevant programs at IPEC. This supplemental assessment will build upon the work already performed and review other relevant sources of information.

To determine whether additional issues affecting the safety conscious work environment and/or the overall nuclear safety culture exist that have not been identified in the prior diagnostic activities, Entergy will review:

- INPO evaluations
- QA program audits and assessments
- Corrective Action Program assessments
- NRC Inspection Reports
- On-site and Off-site Safety Review Committee assessments
- NRC allegations, including NRC referred allegations

Additionally, Entergy will review the following items:

- Disciplinary actions and union grievance records and information (to determine if any information sheds light on the perceptions reported during the prior diagnostic activity)
- Employee retention or attrition data
- Existing departmental work environment action plans to determine whether these departmental plans are sufficient to address and correct the issues raised in the prior diagnostic activity.

Given the confidence in the consistency of the results of the interviews conducted by the independent assessment team described earlier and the 2006 Workplace Survey, Entergy does not envision a need for additional interviews during this supplemental assessment. Entergy expects this supplemental safety culture assessment to be completed by March 31, 2007.

3. The Design and Implementation of Corrective Action

Although not all of the diagnostic activity described above has been completed, the importance of maintaining a safety conscious work environment has prompted Entergy to take a number of corrective actions before the completion of all diagnostic activity. As the various assessments and related recommendations unfold, however, management will review the results to amend the ongoing corrective actions or to implement new corrective actions, as appropriate.

A. Prior Corrective Actions

(1) Actions Preceding the 2006 Workplace Survey

As discussed earlier, Entergy's purchase of IPEC and the necessary consolidation of site operations brought significant change to the workforce. Aware of the potential effect these significant changes could have, management took a number of actions to ensure that the changes did not manifest themselves in a degradation of nuclear safety or in a reluctance on the part of the workforce to raise nuclear safety concerns. Although the purpose of this submittal is not to provide a comprehensive list of all prior actions taken in support of the safety conscious work environment, it is important to recognize that the issues identified in the 2006 Workplace Survey were not qualitatively new issues. Rather, management was aware of the issues and the perceptions, and had taken action to address them. The recent survey results provide important insight into specific areas and also serve as an indication of which past actions may need to be modified or supplemented to achieve the desired result. Management clearly understands the importance of timely corrective action to enhance the safety conscious work environment at IPEC. In this regard, it is important to place into context IPEC's past, ongoing, and future corrective actions.

Upon Entergy's purchase of IPEC, senior site leadership recognized the need for better communications between the Company and the senior union leaders. High level discussions began and continue today. Those discussions have been instrumental in overcoming several potential obstacles to an enhanced work environment. For example, in September 2005, the union withdrew its support for all "joint committees" with management, including the Safety Committee. It also withdrew from the Voluntary Protection Program ("VPP"). VPP is an OSHA program to promote the safety and protection of the employees at IPEC. Continuing dialogue between senior management and the union leadership, however, led to a recent modification of the union's position and its agreement to participate in the Safety Committee at the plant. Moreover, these discussions have led to an expression of cooperation by union leaders and management to address the current work environment challenges at IPEC. For example, union leaders have indicated to management that if a union member raises a safety concern to the union, union leaders will inform management of the concern.

Knowing that the corporate and operational changes were unsettling to many workers, approximately three years ago, the Site Vice President began reviewing proposed disciplinary actions more severe than written reprimands, a practice that he continues today. This review serves to verify that proposed disciplinary action is warranted, fair, and consistent with prior disciplinary actions across the site. The combination of this executive-level review and management's adherence to applicable policies and procedures has helped ensure that there have been no instances identified by the NRC, the U.S. Department of Labor, or a court, in which Entergy retaliated against an IPEC employee for having raised a nuclear safety concern. This record is particularly noteworthy given the challenges that accompanied the many operational and organizational changes at IPEC during this period.

To enhance the independence, credibility, and impact of the ECP, in November 2003, the Entergy Nuclear Northeast ECP Manager became a direct report to the President, Entergy Nuclear Northeast. Previously, the ECP Manager reported to the Director, Licensing and Regulatory Affairs.

In July 2004, the Entergy Nuclear Northeast Chief Operating Officer issued a memorandum to all supervisors, managers, and directors, reminding them of the need to encourage workers to have a questioning attitude and also reminding these leaders of their obligation to follow through on concerns raised by their workers.

To reinforce this message and to ensure line management understood these management expectations, management sponsored two, four-hour blocks of training in 2005 addressing the safety conscious work environment and conservative decision making.

Management has also had success with several organizations that were particularly challenged by the consolidation of site activities. For example, employee concerns raised in the Security organization led to the implementation of numerous corrective actions and a demonstrably improved work environment. These actions also resulted in a markedly improved relationship between management and the security guards' union. Of course, work remains in several organizations, but management has been active in addressing these challenges for some time, and it will continue to do so.

In January 2006, before the 2006 Workplace Survey results were available, the General Manager for Plant Operations began a series of meetings with bargaining unit personnel to improve communications and to better understand and resolve outstanding issues and concerns. After meeting with a number of organizations, he conducted follow-up meetings to report back to the employees about the status of the issues raised in their earlier meetings.

Again, this brief discussion of some earlier actions is not meant to convey a feeling of complacency or management's acceptance of the current state of the work environment at IPEC. Its purpose is merely to demonstrate that Entergy management has, since its purchase of the IPEC units, understood the importance of maintaining a safety conscious work environment and has acted to enhance that environment.

(2) Actions Immediately Following the 2006 Workplace Survey

The NRC PI&R Inspection Report noted that Entergy has already taken actions to address the results provided by the 2006 Workplace Survey. The NRC also observed that, at the time of the inspection, those safety conscious work environment actions were in the "early stages." Although the purpose of this response is to describe Entergy's plan for continuing its evaluation of the work environment and its plan for future action, Entergy's future work will build upon its prior corrective actions. To understand the actions taken by Entergy to enhance the work environment after the issuance of the 2006 Workplace Survey, Appendix A to this Attachment provides a list of some of the corrective actions taken after the issuance of the 2006 Workplace Survey.

In general, those prior actions focused on enhancing the communications and relationship with the workforce. Notable actions included senior site management engaging in a dialogue with senior union leadership about the current situation, to enhance communications and cooperation between management and the union. Additionally, after the issuance of the 2006 Workplace Survey, senior management communicated the results of the survey and restated its expectations and commitment to a safety conscious work environment. Managers of the 2006 Workplace Survey "Priority 1" organizations prepared action plans to address the issues identified for their specific organizations. In addition, IPEC prepared an action plan to address site-wide issues identified in the 2006 Workplace Survey. Finally, the Entergy Nuclear Northeast ECP Manager also prepared and implemented an action plan to respond to the survey results in April 2006.

B. Ongoing and Future Corrective Actions

As noted earlier, some supplemental diagnostic activity remains, which may affect the content and timing of specific corrective actions. Notwithstanding the pending completion of that activity, Entergy has identified a number of actions that it plans to take to improve both the safety conscious work environment at IPEC and the broader safety and organizational cultures.

The thrust of these corrective actions is six-fold. First, these actions seek to reinforce and visibly demonstrate management's commitment to the maintenance of a safety conscious work environment. Second, the actions seek to improve the effectiveness of communications between the management team and the workforce. Third, the corrective actions help to ensure that an employee's identification of safety concerns plays no role in any adverse management action. Fourth, the corrective actions seek to not only prevent acts of retaliation, but also to prevent even the perception of retaliation. Fifth, the corrective actions seek to enhance the responsiveness and accessibility of the Corrective Action Program. Finally, the corrective actions seek to improve employees' confidence in the Employee Concerns Program and their willingness to use this alternate path for raising concerns. When successful, these actions will reduce tension, improve trust, and provide an even stronger foundation for sustained superior performance at IPEC.

(1) Actions to Enhance the Safety Conscious Work Environment

Improved Communications

- The 2006 Workplace Survey and the independent assessment revealed a need to enhance the communications between management and the workforce. Entergy has identified a number of actions to address this need.
  - Beginning in early January 2007, the Site Vice President began a series of informal meetings with groups of employees (individuals, union stewards, supervisors, and managers), to emphasize the importance of raising nuclear safety concerns and to enhance the safety conscious work environment by engaging the workforce in an informal, meaningful dialogue on this topic. These meetings will continue throughout the first quarter of 2007.
  - Senior site management will continue its dialogue with senior union leadership, which began about three years ago, to continue to improve the communications between management and the union.
  - Senior site management will initiate periodic “business meetings” with union stewards to discuss ongoing business priorities, objectives, management decisions, the rationale for these decisions, and actions to achieve the objectives. The first of these meetings will be held in February 2007.
  - Before the issuance of the PI&R inspection results, IPEC redesigned the station’s daily schedule. Specifically, IPEC initiated a policy, effective on January 2, 2007, which eliminates management meetings between 0700 and 0900 hours daily. Managers will use this time to observe work, communicate directly with employees in their workplaces, and otherwise engage the workforce constructively. IPEC will assess the effectiveness of this scheduling change at the end of the second quarter 2007.
  - Based upon discussions between the union and senior plant management, Entergy will conduct independently facilitated discussions in the I&C Department to improve communications and to strengthen the relationship between management and the workforce. This action arose out of a recognition that prior efforts to enhance this relationship, including several departmental management changes, have not produced the desired result. The person who will conduct the facilitated discussions is not an Entergy employee and was recommended by union leadership. Entergy expects to begin this action in the first quarter 2007, subject to an agreement with, and the availability of, the facilitator.

- On January 11, 2007, the General Manager for Plant Operations (“GMPO”) modified the Tailgate process to enhance the quality and effectiveness of this communications technique. Specifically, he refocused the Tailgate to include safety, human performance and plant operational issues. The modified Tailgate also contains summaries of the previous week’s issues of greatest concern to employees. The Tailgate also contains a form for the department manager or individual employee to provide feedback on the Tailgate package and to identify any topics recommended for inclusion in the next Tailgate. The GMPO also charged department managers to conduct Tailgates during specified times on Thursday mornings.
- Effective on January 2, 2007, the GMPO initiated “end-of-day” meetings with his direct reports to identify and discuss any workplace issues or safety concerns that arose during the course of the day and to put corrective actions in place, as warranted. The Thursday “end-of-day” meeting also includes a discussion of feedback from the Tailgate.
- The Entergy Nuclear Northeast ECP will continue to issue a periodic newsletter to the workforce designed to improve the employees’ understanding of the ECP, to increase its visibility, and, ultimately, to improve its credibility and effectiveness. The first edition of this newsletter, issued in November 2006, focused on confidentiality, the ECP process, types of issues handled, and customer feedback.

Identification and Prevention of Retaliation, Chilling Effect, and the Perception of Retaliation

- As noted earlier, for the past several years, the IPEC Site Vice President has reviewed proposed disciplinary actions more serious than written reprimands prior to implementation. That review has been effective in ensuring that an employee’s protected activity did not play a role in any disciplinary action. Nevertheless, the recent diagnostic activity indicates a need to take action to counter the perception that protected activity may result in disciplinary action. Therefore, Entergy will create an Executive Review Board (“ERB”) at IPEC to review proposed disciplinary actions more severe than oral reprimands before they are imposed. The ERB has two principal purposes: (a) to ensure that legitimate business reasons support the proposed discipline and to confirm that protected activity is not a contributing factor in the planned action; and (b) to determine whether the proposed disciplinary action could have unintended consequences, such as the creation of a chilling effect and, if so, to identify mitigating actions. By creating an ERB, Entergy will continue to preclude the actual imposition of unlawful disciplinary action. Additionally, the ERB’s review will help counter the perception reported in the 2006 Workplace Survey and in the recent independent assessment that some workers at IPEC believe that raising a concern can lead to disciplinary action. The ERB will further ensure that

management considers the potential perception of the workforce before taking disciplinary action, again, helping to preclude, or at least minimize, the perception of a possible "chilling effect." IPEC expects to have the ERB functioning by February 28, 2007.

- Entergy will continue its practice of ensuring that all departing Entergy employees receive an exit briefing in which they are encouraged to report any suspected violation of law and/or Entergy policies. The employees are also provided the toll-free Ethics Line number for reporting concerns and reminded of their ability to report concerns anonymously. Additionally, employees are provided the opportunity to meet with the ECP. Through any of these avenues (and all other avenues for reporting concerns), employees can inform the Company if they believe that they have been subjected to retaliation.
- Entergy will create an Executive Protocol Group ("EPG") to identify and proactively address potential or emerging personnel issues that could impact the safety conscious work environment, as well as the broader work environment. To ensure that the EPG can accomplish its mission, it will consist of key personnel with sufficient authority and expertise. Specifically, its members will include senior managers, Human Resources personnel and others, as necessary. The IPEC EPG will meet periodically to review performance and perceptions in areas affecting the work environment, to assess any findings or trends, and to identify appropriate actions. The EPG will report directly to the Site Vice President, to ensure that problems are addressed in a timely manner. Entergy expects to have the EPG functioning at IPEC by February 28, 2007.
- Entergy will conduct refresher safety conscious work environment training for supervisors and managers. To ensure that the training addresses the issues identified in the diagnostic activity, Entergy will assess its existing training, measure its effectiveness, and design appropriate training. Entergy will complete this training by the end of the third quarter 2007.
- Entergy will review its implementation of the MARC process to assess the reported perception that the fact finding process is either inherently retaliatory or is being used for retaliatory purposes. If warranted, it will revise the training and/or implementation process to address any misuse or misperception and re-train supervisors and managers, as necessary. Entergy will complete this review by March 15, 2007.

#### Enhancements to the Corrective Action Program

- The independent assessment team's interviews and the 2006 Workplace Survey revealed a level of frustration among segments of the workforce with some aspects of the Corrective Action Program. Entergy will take a number of corrective actions to address this condition.

- Specifically, some workers expressed unfamiliarity with the process of initiating Condition Reports (“CRs”) and concern about the lack of feedback after having submitted a CR. Accordingly, Entergy will provide additional training, or other specific communications, as warranted, to the workforce concerning the initiation of CRs and the process available to receive information about the status of any associated corrective actions. Entergy will complete this action by June 1, 2007.
- The 2006 Workplace Survey and independent assessment team also noted that some workers expressed frustration with the Corrective Action Program because some Condition Reports about non-nuclear safety issues did not consistently receive adequate corrective action. Accordingly, Entergy will explain to the workforce the process used to determine the prioritization of CRs and the associated corrective actions. Additionally, for those CRs which reveal an immediate need for feedback, managers and supervisors will be directed to discuss the prioritization of CRs, and the actions planned and taken in response to the CRs, with the initiator, following review of the CR by the Condition Review Group. Entergy will complete this action by June 1, 2007.
- Although the existing Corrective Action Program allows workers to initiate CRs anonymously, the independent assessment and other data indicate that some workers are not confident that anonymity can be assured because of the perception that computer generated CRs can be traced electronically to individuals. Accordingly, Entergy will provide additional stand-alone personal computers at “kiosks” around the site to allow workers to submit Condition Reports without having to log-on and identify themselves. Entergy will complete this action by March 15, 2007.

#### Enhancements to the Employee Concerns Program

- The 2006 Workplace Survey, the 2006 ECP Self Assessment, and the interviews conducted by the independent assessment team confirmed a fundamentally sound program, but revealed a need to improve certain perceptions about the ECP. Therefore, Entergy will take steps to enhance employees’ understanding of the ECP, as well as the ECP’s visibility and accessibility at IPEC. These actions supplement those ECP actions identified and completed earlier, which arose out of the existing Entergy Nuclear Northeast ECP action plan. Those earlier corrective actions appear in Appendix A to this Attachment.
  - Entergy will explore creating an “ECP Peer Program” at IPEC. Such a program would: (a) extend the physical presence of the ECP throughout the workplace; and (b) more readily facilitate the ability of employees to communicate and raise concerns with the ECP. If adopted, this Peer Program would consist of volunteers from organizations throughout the site who would serve as emissaries of the ECP. Their presence in the

workplace would enable them to facilitate the timely identification and resolution of issues, particularly from workers who may be reluctant to raise issues on their own. Entergy will complete this exploratory activity by February 28, 2007.

- Entergy will evaluate the current location of the IPEC ECP office to determine whether it should be re-located or whether other action should be taken to ensure its accessibility to employees. Entergy will complete this evaluation by February 28, 2007.

## (2) Actions to Enhance the Culture

Because weaknesses in a site's broader organizational and safety cultures can adversely affect the safety conscious work environment, Entergy will also take action to enhance the broader culture at IPEC.

- The 2006 Workplace Survey and the interviews conducted by the independent assessment team revealed that, in some areas affecting the quality of life for employees at IPEC, the material condition associated with the facility is a source of frustration. Accordingly, Entergy will enhance its communications about plant material condition improvement activities and verify that appropriate priorities and corrective actions are in place. The periodic "business meeting" between site management and the union stewards, described earlier, will provide a forum for the discussion of these material condition improvement actions.
- A healthy safety culture and a strong safety conscious work environment require the cooperation and commitment of both workers and management. To ensure that an adverse labor-management relationship does not impede the strengthening of the work environment, Entergy will continue its ongoing efforts to improve the relationship between management and union representatives and the union rank and file.

## 4. Monitoring Activity

To be in a position to assess the effectiveness of the corrective actions described above, Entergy will develop appropriate metrics and measure them periodically against the four components of a safety conscious work environment. The development of such metrics will not only allow Entergy to assess and adjust its performance, the metrics will also provide a means for discussing these important issues with the workforce.

The four success criteria are the components of a safety conscious work environment:

- Employees are free to raise concerns;
- Management effectively resolves issues and otherwise effectively responds to events that challenge the work environment;
- The Employee Concerns Program remains effective; and

- Management effectively detects, prevents, and manages allegations of retaliation.

Currently, Entergy plans to use the following metrics to measure performance under these criteria:

- A. Employees are free to raise concerns.
  - (1) A continued high rate of Condition Report initiation
  - (2) A June 2007 effectiveness review of near-term corrective actions for the Priority departments identified in the 2006 Workplace Survey
  - (3) A January 2008 effectiveness review of the long-term corrective actions for the Priority departments identified in the 2006 Workplace Survey
  - (4) Trends in the percentage of requests for confidentiality or anonymity through the ECP
  - (5) Implementation of effective corrective action for any adverse findings in the above items
- B. Management effectively resolves issues and otherwise effectively responds to events that challenge the work environment.
  - (1) Corrective Action Performance Index, which includes, among other things:
    - Condition Report Activities Overdue
    - Open Condition Reports with Due Date Extensions
    - Condition Report Rejection Rate
    - Average Age of Open Condition Reports
    - Self-revealing versus Self-identified Conditions
  - (2) Composite Operational Index
  - (3) Performance of mitigating systems
  - (4) Implementation of effective corrective action for any adverse findings in the above items
- C. The Employee Concerns Program remains effective.
  - (1) A March 2007 ECP self assessment
  - (2) A June 2007 effectiveness review of the near-term ECP improvement actions
  - (3) A January 2008 effectiveness review of the long-term ECP improvement actions
  - (4) Implementation of effective corrective actions for any adverse findings in the above items
- D. Management effectively detects, prevents, and manages allegations of retaliation.

- (1) The establishment and operation of an effective Executive Review Board
- (2) The establishment and operation of an effective Executive Protocol Group
- (3) Substantial completion of any required SCWE training
- (4) Effectiveness of management responses to emergent retaliation concerns
- (5) Implementation of effective corrective actions for any adverse findings in the above items

5. The Conduct of Confirmatory Action

After implementing the corrective actions, and after demonstrating improvement as measured by the identified metrics, Entergy will confirm the status of its performance. Currently, Entergy plans to conduct a confirmatory assessment during the first quarter of 2008. Implementation of the plan should allow IPEC management to demonstrate by early 2008 that each of the success criteria have been met. Therefore, in early 2008, IPEC will determine whether it would be beneficial to complete a third-party independent assessment to evaluate and confirm the effectiveness of the improvements or whether it should conduct this confirmatory activity internally.

## Appendix A

### **Prior Corrective Actions Taken In Response to the 2006 Workplace Survey**

Following the conduct of the 2006 Workplace Survey survey, Entergy took a number of actions designed to enhance the work environment at IPEC. These actions included:

- On April 11, 2006, Entergy Nuclear Northeast developed and began implementing an action plan to improve the effectiveness of its ECP. Corrective actions completed to date include:
  - On November 21, 2006, an Inside Entergy article directed employees to take the updated ECP web-based refresher training. The key elements of this training included SCWE concepts, the various ways to report concerns, confidentiality, Entergy's policy prohibiting retaliation, protected activity, the types of issues handled by the ECP, and ECP staffing.
  - In November 2006, the Entergy Nuclear Northeast ECP Manager issued the first edition of a periodic newsletter to the workforce designed to improve the employees' understanding of the ECP, to increase its visibility, and, ultimately, to improve its credibility and effectiveness. The first edition of this newsletter focused on confidentiality, the ECP process, types of issues handled, and customer feedback.
  - To improve worker awareness of the ECP, its location, personnel, and the various ways of contacting the ECP, in December 2006, Entergy updated, revised, and provided increased distribution of posters highlighting the ECP and its availability to employees.
- On April 17, 2006, Entergy Nuclear developed "Fleet-Wide Actions to Address Nuclear Safety Culture," in response to the results of the 2006 Workplace Survey. The actions focused on three areas for improvement: (a) the reinforcement of nuclear safety standards and expectations; (b) job satisfaction and morale; and (c) workload and work management. It also identified various industry "good practices" for consideration.
- On April 24, 2006, the Chief Executive Officer for Entergy provided the preliminary results of the 2006 Workplace Survey to the Entergy nuclear workforce via Entergy's internal newsletter "Inside Entergy." Among other things, the CEO noted the declining trend at some of the northeast sites (*e.g.*, IPEC) and the related opportunity to improve in various areas.

- Following the issuance of the final 2006 Workplace Survey results in May 2006, the President of Entergy Nuclear Northeast, together with the principal consultant responsible for the 2006 Workplace Survey, presented the final results to management during a series of meetings at the various northeast Entergy sites. The presentation at IPEC took place on June 20, 2006.
- On July 19, 2006, the IPEC General Manager for Plant Operations addressed the 2006 Workplace Survey results and reinforced the importance of maintaining a strong nuclear safety culture during an "Alignment in Excellence" meeting sponsored by the General Manager for Plant Operations to brief managers and supervisors on important plant issues and to ensure the alignment of the management team.
- On August 6, 2006, the Chief Operating Officer for Entergy Nuclear Northeast issued a letter to all employees reinforcing Entergy's commitment to a safety conscious work environment and encouraging employees to raise nuclear safety concerns. That letter also reminded the workers of the availability of the ECP as a means for employees to raise safety concerns confidentially, while informing the workforce that management will be taking action in response to the 2006 Workplace Survey to enhance the workers' perceptions about the ECP.
- On August 8, 2006, the IPEC Site Vice President and the General Manager for Plant Operations conducted an all-hands meeting with IPEC personnel to discuss the importance of a strong nuclear safety culture and the need for greater cooperation between management and the workforce to enhance the work environment.
- Throughout the latter half of 2006, Entergy conducted four-hour meetings/training sessions with all employees to discuss the importance of personal safety and human performance. To ensure these topics received the requisite management support, the Site Vice President or General Manager for Plant Operations began the sessions, emphasizing that safety continued to be the number one priority at IPEC and highlighting the importance of personal safety and human performance.
- In September and October 2006, various IPEC organizations developed and began implementation of action plans to improve in those areas identified in the 2006 Workplace Survey. As discussed earlier in Section 2.B of Attachment One, these plans will be reviewed and revised, as necessary.
- On November 30, 2006, the IPEC On-Site Safety Review Committee established a "Safety Culture" sub-committee to review existing strategies and to develop new strategies for management to implement that will improve the safety culture at IPEC. Significantly, the sub-committee charter provides for the participation of both management and union personnel. The sub-committee charter also provides for periodic reports and recommendations to the On-Site Safety Review Committee and the IPEC Site Vice President.