



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

October 14, 2008

Mr. Ross T. Ridenoure
Senior Vice President and
Chief Nuclear Officer
Southern California Edison Company
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, CA 92674-0128

Dear Mr. Ridenoure:

SUBJECT: MEETING SUMMARY FOR PUBLIC MEETING WITH SOUTHERN
CALIFORNIA EDISON

On September 23, 2008, representatives of Southern California Edison met with NRC personnel in San Clemente, CA to discuss performance at San Onofre Nuclear Generating Station. The conference was held at the request of the NRC. The meeting attendance list and a copy of the NRC presentation and licensee presentation are included as Enclosures 1, 2, and 3.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the Public Electronic Reading Room page of the NRC's public web site at www.nrc.gov/reading-room/adams.html.

Sincerely,

A handwritten signature in black ink that reads "Michael C. Hay".

Michael C. Hay, Chief
Project Branch D
Division of Reactor Projects

Dockets: 50-361, 50-362
Licenses: NPF-10, NPF-15

Enclosures:

1. Meeting Attendance List
2. NRC Presentation
3. Southern California Edison Presentation

DISTRIBUTION:

Chairman, Board of Supervisors
County of San Diego
1600 Pacific Highway, Room 335
San Diego, CA 92101

Gary L. Nolff
Assistant Director-Resources
City of Riverside
3900 Main Street
Riverside, CA 92522

Mark L. Parsons
Deputy City Attorney
City of Riverside
3900 Main Street
Riverside, CA 92522

Dr. David Spath, Chief
Division of Drinking Water and
Environmental Management
California Department of Health Services
850 Marina Parkway, Bldg P, 2nd Floor
Richmond, CA 94804

Michael J. DeMarco
San Onofre Liaison
San Diego Gas & Electric Company
8315 Century Park Ct. CP21G
San Diego, CA 92123-1548

Director, Radiological Health Branch
State Department of Health Services
P.O. Box 997414 (MS 7610)
Sacramento, CA 95899-7414

Mayor
City of San Clemente
100 Avenida Presidio
San Clemente, CA 92672

James D. Boyd, Commissioner
California Energy Commission
1516 Ninth Street (MS 34)
Sacramento, CA 95814

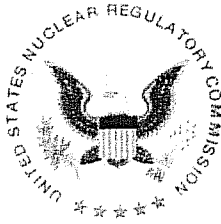
Douglas K. Porter, Esq.
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

A. Edward Scherer
Southern California Edison Company
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, CA 92674-0128

Mr. Steve Hsu
Department of Health Services
Radiologic Health Branch
MS 7610, P.O. Box 997414
Sacramento, CA 95899-7414

Mr. James T. Reilly
Southern California Edison Company
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, CA 92674-0128

Chief, Radiological Emergency Preparedness Section
National Preparedness Directorate
Technological Hazards Division
Department of Homeland Security
1111 Broadway, Suite 1200
Oakland, CA 94607-4052



UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 REGION IV
 612 EAST LAMAR BLVD, SUITE 400
 ARLINGTON, TEXAS 76011-4125

MEETING ATTENDANCE SHEET

LICENSEE/FACILITY SCE/SAN ONOFRE NUCLEAR GENERATING STATIONS 2 & 3

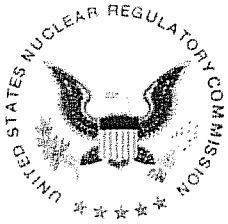
DATE/TIME September 23, 2008

LOCATION Holiday Inn San Clemente Resort
 Del Mark Meeting Room
 111 S. De La Estrella, San Clemente, CA

NAME (PLEASE PRINT)

ORGANIZATION

Willis Frick	SCE
Steve Eltiste	SCE
KATHLEEN YHP	SCE
Barbara Culmerhouse	SCE
Chris Ahola	SCE
Dina Gomez	SONGS
CAROLINE McANDREWS	SCE
Gayle Bell	
PAUL MCGREGOR	SCE - SONGS
MIKE DE MARCO	SDG&E
Marc Grottel	SCE
Clay E. Williams	SCE
Pat Brennan	OC Register
Loyd Wright	SCE
Walker Matthews	SCE
Connor Flanigan	SCE
Katherine Field	Senator Feinstein
John Fee	SCE
Duane Donnelly	SCE



UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 REGION IV
 612 EAST LAMAR BLVD, SUITE 400
 ARLINGTON, TEXAS 76011-4125

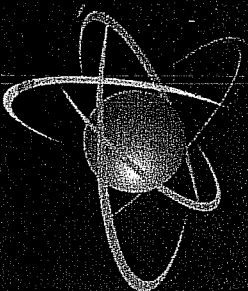
MEETING ATTENDANCE SHEET

LICENSEE/FACILITY SCE/SAN ONOFRE NUCLEAR GENERATING STATIONS 2 & 3
DATE/TIME September 23, 2008
LOCATION Holiday Inn San Clemente Resort
 Del Mark Meeting Room
 111 S. De La Estrella, San Clemente, CA

NAME (PLEASE PRINT)

ORGANIZATION

REY GONZALEZ	SCE
ROB SANASTROM	SCE
Jan Tucker	City of San Clemente
Eric R. OSWOOD	INPO
CLAIR S GODDARD	INPO
Paul Sisson	NCT
MARK EMDEE	SCE - TELEcomm
MARK PETTIJOHN	SEE
Rick Schoenig	Very Little
Brad Girard	SCE
Shannon Barton	SCE
Samantha Calvin	public
Rick Pail	SCE
DAN DOMINGUEZ	SCE



U.S.NRC

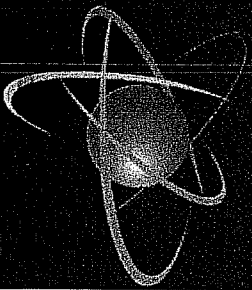
UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

San Onofre Nuclear Generating Station Performance Improvement Meeting

Nuclear Regulatory Commission – Region IV

September 23, 2008



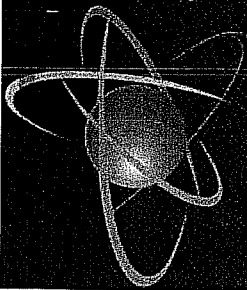
U.S.NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Purpose of Today's Meeting

- **TOPIC: San Onofre Nuclear Generating Station (SONGS) performance improvement initiatives**
- **Meeting between SONGS and NRC open to public observation**
- **Questions and answers following meeting**



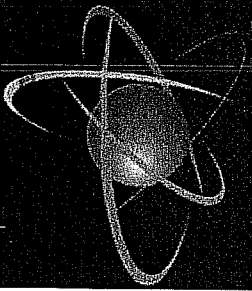
U.S. NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

NRC Representatives

- Chuck Casto, RIV, Deputy Regional Administrator
- Tony Vogel, DRP Deputy Director
- Michael Hay, DRP Branch Chief
- Victor Dricks, Office of Public Affairs
- Greg Warnick, Senior Resident Inspector
- John Reynoso, Resident Inspector



U.S. NRC

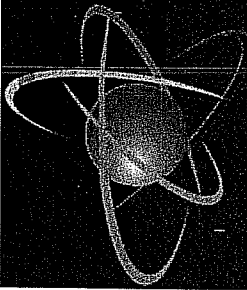
UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Substantive Crosscutting Issues

- Problem Identification and Resolution

A theme was identified involving the failure to thoroughly evaluate problems, including causes and extent of conditions.



U.S. NRC

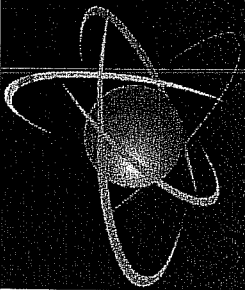
UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Substantive Crosscutting Issues (cont)

- Human Performance

A theme was identified involving the failure to provide adequate procedures or work instructions.



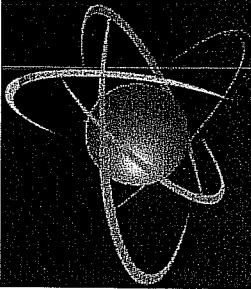
U.S.NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Confirmatory Order

- Issued January 11, 2008 as a result of alternative dispute resolution mediation session which occurred on December 3, 2007
- Involved multiple examples of willful violations

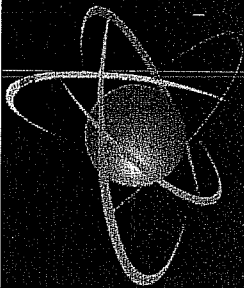


U.S. NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Licensee Response and Remarks



U.S.NRC

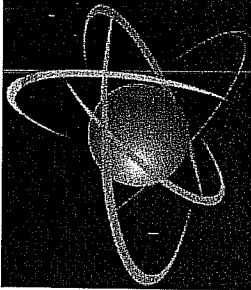
UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Questions and Answers

Facilitated by

John Reynoso



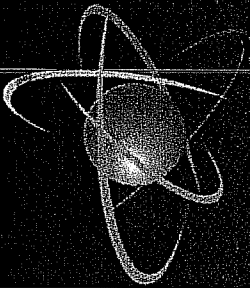
U.S.NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Contacting the NRC

- Report an emergency
 - (301) 816-5100 (call collect)
- Report a safety concern:
 - (800) 695-7403
 - Allegation@nrc.gov
- General information or questions
 - www.nrc.gov
 - Select "What We Do" for Public Affairs
- Victor Dricks, Public Affairs Officer, RIV
 - 817-860-8128
 - Victor.Dricks@nrc.gov



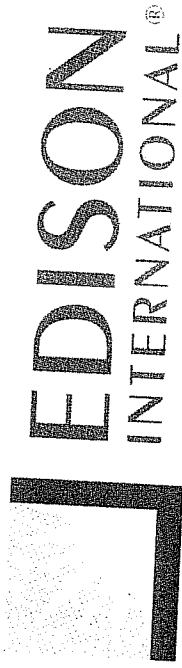
U.S. NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

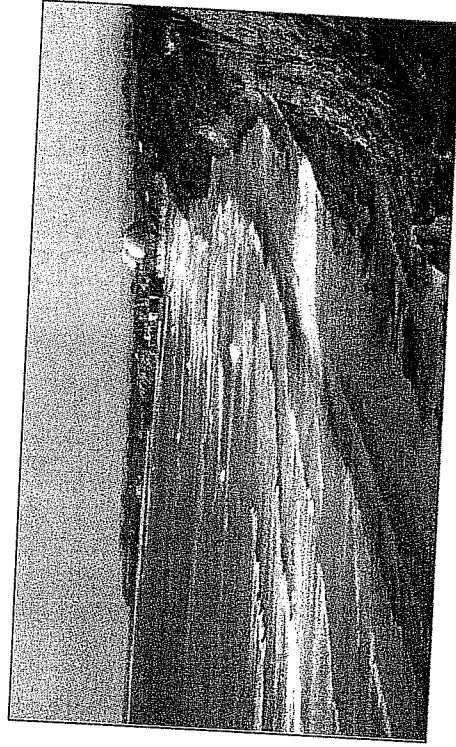
Protecting People and the Environment

Reference Sources

- Reactor Oversight Process
 - <http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>
- Public Electronic Reading Room
 - <http://www.nrc.gov/reading-rm.html>
- Public Document Room
 - 1-800-397-4209 (Toll Free)



San Onofre Nuclear Generating Station Mid-Cycle Assessment



Public Meeting with U.S. Nuclear Regulatory Commission
September 23, 2008

Opening Remarks Performance Overview

Ross Ridenoure
SCE Senior Vice President and
Chief Nuclear Officer



Presentation Agenda

- **Performance Improvement**
Bob Corbett
Division Manager, Performance Improvement
 - Human Performance Improvement Initiatives
 - Problem Identification & Resolution Improvement Initiatives

- **Confirmatory Order**
James Reilly
Vice President, Engineering and Technical Services

- **Closing Remarks**
Ross Ridenoure

Performance Overview - Industry

- Nuclear generation is a unique industry where shared knowledge and continuous improvement are fundamental and paramount
- Employees at nuclear generation stations must demonstrate “extraordinary” performance, not just ordinary performance, every day for every task
- Southern California Edison (SCE) recognizes the important role of the U.S. Nuclear Regulatory Commission in overseeing the U.S. nuclear industry

Southern California Edison Commitment

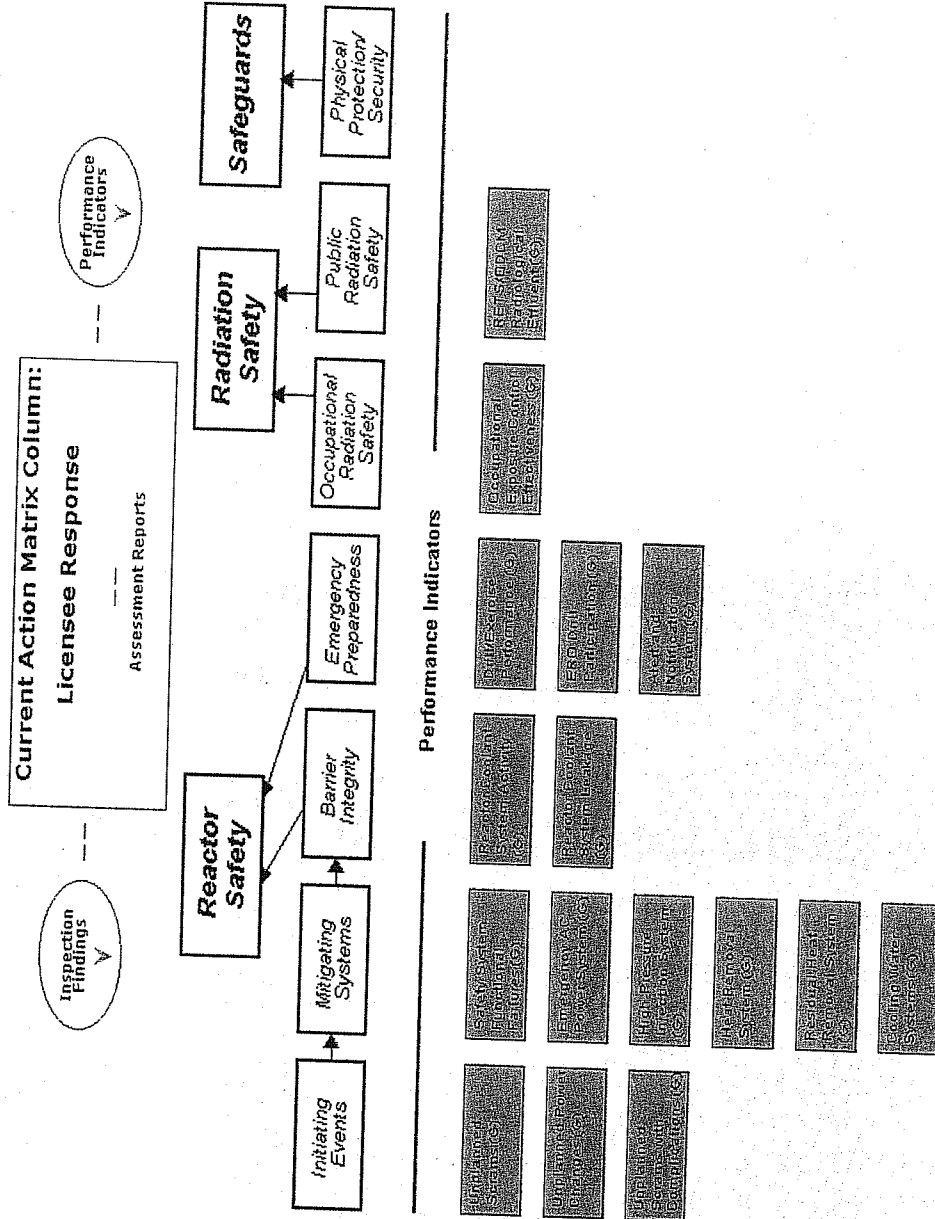
The continuing overarching commitment of San Onofre Nuclear Generating Station is to operate our facility at the highest standards – safely and reliably – and to make certain we safeguard our community and our environment.

Performance Overview - Facts

- We have operated all three units at San Onofre Nuclear Generating Station safely for 40 years
- San Onofre's performance assessment under the reactor oversight process remains in the best performing column of the NRC's Action Matrix - Licensee Response Column
- All NRC inspection findings have been classified as having very low safety significance (Green)

Performance Summary – Units 2 & 3

San Onofre - 2Q/2008 Performance Summary



Last Modified: August 4, 2008

Performance Overview

- **Areas for Improvement in Site Culture:**
 - Human Performance
 - Problem Identification and Resolution
 - Confirmatory Order

NRC Guiding Principles of Safety Culture

1. Decision-making
2. Resources
3. Work Control
4. Work Practices
5. Corrective Action Program
6. Operating Experience
7. Self- and Independent Assessments
8. Environment for Raising Safety Concerns
9. Preventing, Detecting and Mitigating Perception of Retaliation
10. Accountability
11. Continuous Learning Environment
12. Organizational Change Management
13. Safety Policies

Performance Overview - Actions

- SCE has made a significant commitment to improve San Onofre's culture in the past year by:
 - Hiring new on-site Chief Nuclear Officer
 - Supporting a major restructuring of site management
 - Renewing the emphasis and attention paid to cultural issues throughout the site including training and other employee-specific actions

Performance Overview - Changes

Leadership

- Comprehensive restructuring to address performance gaps
- These changes include:
 - New on-site Chief Nuclear Officer (external)
 - New Station Manager (INPO)
 - New Director Work Management (external)
 - New Outage Manager (external)
 - New Manager Performance Improvement (internal)
 - New Director Maintenance (search in process)
- Plans in place to ensure continuity of strong leadership is maintained in Engineering & Technical Services

Performance Overview - Changes

- Goal is sustainable, long-term performance improvement
- Clear directions and expectations set by senior management
- Improved management alignment in day-to-day activities
- Greater accountability at all levels
- New individual performance management process to drive employee accountability
- Enhanced internal communications

Performance Overview Summary

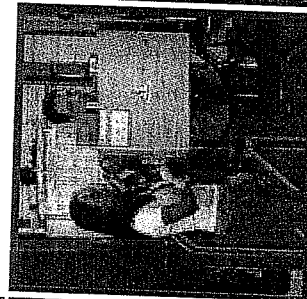
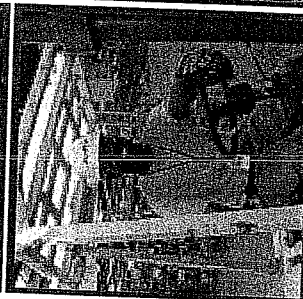
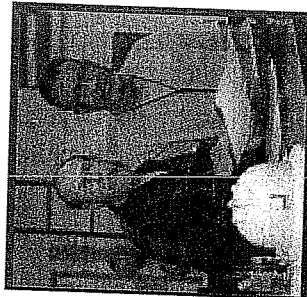
- We are operating safely and have made progress in a number of areas
- We are not satisfied with the pace and depth of change
- In areas where we are not demonstrating the improvements expected, we are developing broader and more aggressive action plans and taking measures to ensure that our issues are resolved
- We are committed to improving our performance

Performance Improvement

Bob Corbett
Division Manager

Problem Identification & Resolution
Improvement (PI&R) Initiatives

and
Human Performance Improvement Initiatives



PI&R Improvement - Commitment

Our commitment to Problem Identification and Resolution is to ensure all potential plant issues are promptly identified, fully evaluated, and that actions are taken in a timely manner, commensurate with their significance.

PI&R

- **Problem:**
 - We have not adequately addressed our adverse performance in identifying and resolving problems

- **Why:**
 - Initial Root Cause Evaluation was narrow and missed the full scope of the problem

 - The Root Cause Evaluation is being revised to look more broadly at the Corrective Action Program (CAP) for weaknesses and deficiencies

PI&R

- **Extent of Condition:**
 - Culture and behaviors
 - Skills and knowledge
 - Programs and processes

PI&R

- **Actions:**
 - Working current plan in parallel with Root Cause Evaluation revision
 - Senior management commitment to CAP
 - Improved accountability throughout site
 - Benchmarking industry best practices for CAP
 - Revised Root Cause Evaluation will add supplemental corrective actions

PI&R

- **Monitoring Effectiveness:**
 - Performance indicators are in place
 - Effectiveness reviews are planned

Human Performance Commitment

Southern California Edison is committed to ensuring that we have well-trained and educated nuclear professionals, reliable equipment, thorough processes and procedures, and all needed resources available to safely and reliably operate San Onofre Nuclear Generating Station at the highest industry standard.

Human Performance

- **Problem:**
 - We have not adequately addressed our adverse performance in Human Performance issues

Human Performance

- **Why:**
 - Conducted a Root Cause Evaluation in September 2007
 - March 2008 reviewed Root Cause Evaluation following NRC Annual Assessment letter
 - July 2008 internal assessment identified ineffective execution of some corrective actions
 - Leadership was ineffective in implementing the needed corrective actions

Human Performance

- **Extent of Condition:**
 - Workforce and management attitudes and behaviors
 - Accountability and ownership
 - Procedure use and work plan
 - Human Performance tools

Human Performance

- **Corrective Actions:**
 - Working current plan
 - Improving work plans, procedure content, and compliance
 - Improved accountability and engagement
 - Revised and reinforced use of Human Performance Tools Hand Book
 - Corrective actions will be added following completion of additional cause evaluations

Human Performance

- **Monitoring Effectiveness:**
 - July 2008 internal audit identified deficiencies
 - An effectiveness review in July 2009 is planned
 - Improved performance indicators under development

Performance Improvement Summary

- The management team understands these are significant challenges
- Outstanding performance in our Corrective Action Program and Human Performance are recognized as key to station excellence
- SCE is committed to resolving these issues and achieving sustained improvement in our culture

NRC Confirmatory Order Status Report

James Reilly
Vice President
Engineering and Technical Services



NRC Confirmatory Order - Background

- From June 2005 through May 2007, SCE identified and reported to the NRC seven events potentially involving willful violations
- SCE took specific corrective actions for each of the seven individual events
- Following this period, SCE identified comprehensive corrective actions to broadly address the underlying cultural issues
- SCE presented the corrective action plan to the NRC during an Alternative Dispute Resolution session on December 3, 2007
- The NRC confirmed their acceptance of SCE's corrective action program through the Confirmatory Order issued in January 2008

NRC Confirmatory Order - Corrective Action Plan Summary

Item	Description	Status
1	Common Cause Evaluation	Complete
2	Provide Corrective Action Plan	Complete
2a	Monitoring program	Ongoing
2b	Multi-day interventions	Complete
2c	Ethics training	Ongoing
2d	Safety culture assessment by 3 rd party	Complete
2e	New employee orientation and general employee retraining	Complete
2f	Training on techniques to monitor workers' compliance	Begins 9/30/08
2g	Disciplinary process	Complete
2h	Training for on-the-job training trainers	Complete/Ongoing
2i	Incentives for on-site contractors	Ongoing
2j	Periodic sampling of repetitive rounds and log keeping activities	Complete/Ongoing
2k	Site-wide communications	Ongoing
2l	Completion letter	Upon Completion
3	Response to specific issues	Complete

Confirmatory Order

Item 1:

- “By January 31, 2008, SCE will perform a common cause evaluation of known recent events, actually or potentially involving willful events to determine the root and contributing causes for the collective issues. This evaluation will include an analysis to determine if any deficiencies of safety culture components, as defined by NRC’s Inspection Manual Chapter (IMC) 0305, ‘Operating Reactor Assessment Program,’ were significant contributors. The results of this evaluation will be factored into the Corrective Action Program and addressed in other ongoing related efforts, as appropriate.”

Status: Complete

- On 1/29/08 - SCE completed a common cause evaluation of known recent events actually or potentially involving willful violations

Confirmatory Order

Item 1 (continued)

- **Root Cause:**
 - A strong environment of accountability was not maintained at San Onofre. San Onofre had not set clear and consistent standards for workers and supervisors regarding the consequences of non-compliance with requirements; therefore, accountability was not predictable to the workers.
- **Contributing Causes:**
 - No clear site policy
 - Weakness in supervisory monitoring
- **Underlying Culture Deficiencies:**
 - Work practices
 - Accountability

Confirmatory Order

Item 2:

- “By February 29, 2008, SCE will provide the NRC with a Corrective Action Plan that includes the results of Item 1 and provides the following key elements:”

Status: Complete

- On 2/29/08 SCE submitted a Corrective Action Plan including results of the common cause evaluation
- Two categories of corrective actions to reduce the likelihood of deliberate non-compliance were identified based on the results of the common cause evaluation:
 - Preventive measures
 - Monitoring program

Confirmatory Order

Item 2a:

- “A monitoring program to determine the effectiveness of the Corrective Action Plan developed pursuant to this Item 2.”

Status: Ongoing

- Monitoring program includes:
 - Surveillance program (Item 2j)
 - Identification and tracking occurrences of deliberate non-compliance at San Onofre
- Effectiveness reviews ongoing

Confirmatory Order

Item 2b:

- “By June 30, 2008, SCE will conduct multi-day interventions that reinforce fundamental company values. San Onofre will ensure that this effort includes the elements of a strong nuclear safety culture to prevent deliberate violations. The intent of the interventions will be to focus leaders and managers on the importance of balancing accountability and encouraging workers to self-report errors and the importance of communicating this to their workers.”

Status: Complete

- The multi-day intervention is a corporate level program developed with the assistance of an outside consultant
- Training complete for managers and supervisors with direct reports:
 - 93% completed by June 30
 - 99% completed by July 1
 - 100% completed by Sept 5

Confirmatory Order

Item 2c:

- “SCE will expand the company-wide Ethics Program to encompass long-term managers and supervisors of independent contract workers who are required to take the integrity training in 2008. SCE will conduct training for managers and supervisors in 2008 and other SCE San Onofre employees in 2009.”

Status: Ongoing

- The corporate ethics training has been expanded to include long-term contractor supervisors.
- Long-term contractor supervisors - 71% completed
- San Onofre managers/supervisors - 57% completed

Confirmatory Order

Item 2d:

- “SCE will conduct a safety culture assessment by an independent third-party organization by April 1, 2008. By June 30, 2008, the results of this assessment will be factored into the Corrective Action Program and addressed in other ongoing related efforts, as appropriate.”

Status: Complete

- A site-wide safety culture survey developed by Synergy Inc. was administered to the site in January 2008
- All employees at San Onofre were requested to complete the survey voluntarily; approximately 2400 completed surveys were received by Synergy
- We tested our confirmatory order corrective action plan against the very specific area of willfulness and found our plan to be adequate
- Other corrective actions from the survey have been incorporated into the San Onofre corrective action program

(Presentation to follow.)

**2008 Independent
Nuclear Safety
Cultural Assessment
(NSCA)**

San Onofre Nuclear Generating Station

Howard Levin

SONGS 2008 NSCA

Background

- Six independent NSCAs conducted at San Onofre by SYNERGY since 1996
- Standard methodology
 - More than 150 assessments covering ~ 60% of industry
 - Psychometrically Validated Survey
- 2008 scope expanded for coverage of:
 - NRC Regulatory Issue Summary 2006-13
 - INPO Principles
 - Special Topics

SONGS 2008 NSCA

Scope & Methodology

- **SYNERGY's Standard Cultural Models**
 - **Nuclear Safety Culture Model**
 - Nuclear Safety Values, Behaviors & Practices
 - Safety Conscientious Work Environment
 - Nuclear Safety Concerns Program
 - **General Culture & Work Environment**

- **Special Topics of Interest – Focus on Compliance**
 - **Newly Developed Questions – Cognitively Tested**

SONGS 2008 NSCA

Cultural Assessment Inputs

- Objective Measures of Culture
 - Models of high performing nuclear enterprises
- +
- Participant / Observer Inputs (proven barometers)
- =

Reliable & Valid Cultural Indicators

- Write-in Comments
 - Context for quantitative results & suggestions for improvement
- Follow-up Interviews
 - Enhanced understanding of results in selected organizations

SONGS 2008 NSCA Survey Administration & Response

- Survey Administered January 2008
- Opportunity Provided to All Employees and Contractors
- 82% Response Rate; Above Average and Improved From Past Years
- Organization Affiliation Provided by ~ 96% of Respondents

SONGS 2008 NSCA Results

Cultural Model	Measured Status - Cultural Metric	Trend	Industry Quartile
Nuclear Safety Culture (NSC)	Adequate	+1.1%	2 nd
NS Values Behaviors & Practices (NS VB&P)	Adequate	+1.4%	2 nd
Safety Conscious Work Env. (SCWE)	Adequate	+0.6%	3 rd
Nuclear Safety Concerns Program (NSCP)	Strength	+0.8%	1 st
General Culture & Work Environment (GCWE)	Adequate	+2.7%	2 nd

SONGS 2008 NSCA

Results - Strengths

- Nuclear Safety Culture
 - Nuclear Safety Concerns Program
 - Nuclear Safety is the top priority
 - Effective resolution of identified Nuclear Safety issues
- General Culture & Work Environment
 - High standards
 - Focus on performance & accountability
 - Conduct of work
 - Satisfaction & morale

SONGS 2008 NSCA

Results – Opportunities for Improvement

- Nuclear Safety Culture
 - Receptivity and valuing employee identified issues and concerns
 - Reinforcement of Nuclear Safety ‘standards’ and ‘expectations’
 - Effectiveness of the Corrective Action Program
- General Culture & Work Environment
 - Employee involvement
 - Environment of trust & respect
 - Personnel performance management
 - Management of change
- Organization-specific opportunities

SONGS 2008 NSCA

Special Topic – Willful Non-compliance

- Added 16 questions to gain additional insights
- Questions were developed to examine:
 - Direct observations of compliance
 - Workgroup culture supporting compliance
 - Factors affecting the ability of individuals to achieve compliance
- Questions were cognitively tested and adjusted before inclusion in the survey

SONGS 2008 NSCA

Special Topic – Willful Non-compliance

- Collective results do not indicate widespread deliberate non-compliance
- The workgroup culture supporting compliance appears to be healthy
- Factors having the greatest impacts on the ability to comply include:
 - Distraction of excessive minor requirements
 - Complexity of procedures/requirements
 - Training on procedure requirements

Safety Culture Survey - SCE Management Summary

- Although slight improvement in survey findings, results do not meet expectations
- We will continue to use insights from the survey to improve our culture

Confirmatory Order

Item 2e:

- “By April 1, 2008, SCE will further enhance the new employee orientation and general employee training programs to better ensure that new and periodically retrained personnel clearly understand that deliberate acts of non-compliance with regulations or procedures will not be tolerated and could result in a significant disciplinary action up to and including termination.”

Status: Complete

- The new training module addresses willful violations, expectations regarding compliance and reporting non-compliances, and consequences of deliberate misconduct
- Since March 4, 2008, this module has been included in all new employee training and all annual retraining for current employees
- To date, 281 new employees and 1,166 employees (annual retraining program) completed the new training module

Confirmatory Order

Item 2f:

- “By September 30, 2008, SCE will develop and begin conducting training (for managers and supervisors) on techniques that can be used to monitor that workers are implementing procedures as instructed.”

Status: Working

- Training lesson on techniques supervision can use to monitor workers has been drafted and is in review
- Training is scheduled to begin by September 30, 2008

Confirmatory Order

Item 2g:

- “SCE will enhance its existing disciplinary process to provide more detailed guidance in cases involving a deliberate misconduct-related violation. This process will communicate to the workforce specific escalating disciplinary actions that may be taken in response to initial and/or repeat deliberate misconduct by individual contributors and supervisors/managers. Communication of process enhancements will focus personnel on the importance of balancing accountability and encouraging workers to self-report errors and the importance of communicating this with their workers.”

Status: Complete

- SCE enhanced the San Onofre discipline policy to clarify the consequences associated with certain types of misconduct including fraud, willful violations of compliance requirements, knowledge of wrongdoing but failure to report, insufficient oversight of subordinates contributing to ongoing misconduct, and insufficient action taken regarding reports of misconduct
- The enhanced policy was communicated to supervisory personnel at the February Manager/Supervisor Forums and to the workforce during All Hands meetings March 28-31, 2008

Confirmatory Order

Item 2h:

- “By April 1, 2008, SCE will revise the San Onofre training lesson for OJT (On-the-Job Training) trainers and provide this training to all OJT trainers and trainees. The revised OJT training will reinforce the responsibilities of the trainer and the trainees. Emphasis will be placed on the expectations of a trainer while his/her trainee is performing work during an OJT session.”

Status: Complete

- San Onofre revised the OJT training lesson to reinforce roles and responsibilities of trainers and trainees
- Training completed by 3,003 San Onofre employees and contractors by March 31, 2008
- Requirement to complete the new training lesson was added to the qualification process

Confirmatory Order

Item 2i:

- “SCE will take steps to develop and implement incentives for on-site contractors to help SCE address issues that have resulted in deliberate misconduct-related violations. If SCE is unable to negotiate acceptable programs by a particular contractor, then SCE will impose additional oversight to ensure the performance of the contractor and its personnel meets specified criteria.”

Status: Ongoing

- All new contracts issued since January 2008, have included the new Terms and Conditions
- Revised Terms and Conditions are being incorporated into service contracts as they come up for renewal
- 67 contracts to date have been revised – majority of contract revisions will be completed by 12/31/08

Confirmatory Order

Item 2j:

- “By April 1, 2008, SCE will incorporate into the San Onofre oversight surveillance program, periodic sampling of repetitive rounds and log keeping activities to provide reasonable assurance that actions to deter and detect instances of deliberate non-compliance are effective. This oversight will include sampling of SCE and contractor activities.”

Status: Complete/Ongoing

- Surveillance procedure revised on 4/1/08
- Surveillances are ongoing
- No deliberate non-compliances detected so far

Confirmatory Order

Item 2k:

- “SCE will use multiple site-wide communication tools to emphasize to employees and contractors at San Onofre the need to comply with job rules, regulations, and procedures and potential consequences when compliance does not occur.”

Status: Ongoing

- A page was added to the 2008 SONGS Human Performance Tools Handbook (Blue Book) describing the requirements to comply with all rules and procedures as well as the consequences of non-compliance. The 2008 blue books were distributed at All-Hands meetings in January.
- Willful violations and expectations for compliance were addressed at:
 - All Hands meetings in January, March, and July
 - Manager/Supervisor forums in January, February, May, June, and July
 - Operational Alignment Bulletins in January, March, May, and June
 - Targeted presentations to key groups

Confirmatory Order

Item 2I:

- “Upon completion of the terms of the Confirmatory Order, SCE will provide the NRC with a letter discussing its basis for concluding the Order has been satisfied.”

Status: Upon Completion

- Letter is pending completion of all confirmatory order actions

Confirmatory Order

Item 3:

- “By 30 days after issuance of the order, SCE will provide to the NRC under separate letter its response to the three issues addressed by the NRC in its letter dated September 27, 2007, (EA 07-232) and for NRC letter dated November 7, 2007, (EA 07-141), the extent to which trainers may fail to follow the procedural requirements of Section 6.3.2 of San Onofre Training Procedure SO123-XV-27.”

Status: Complete

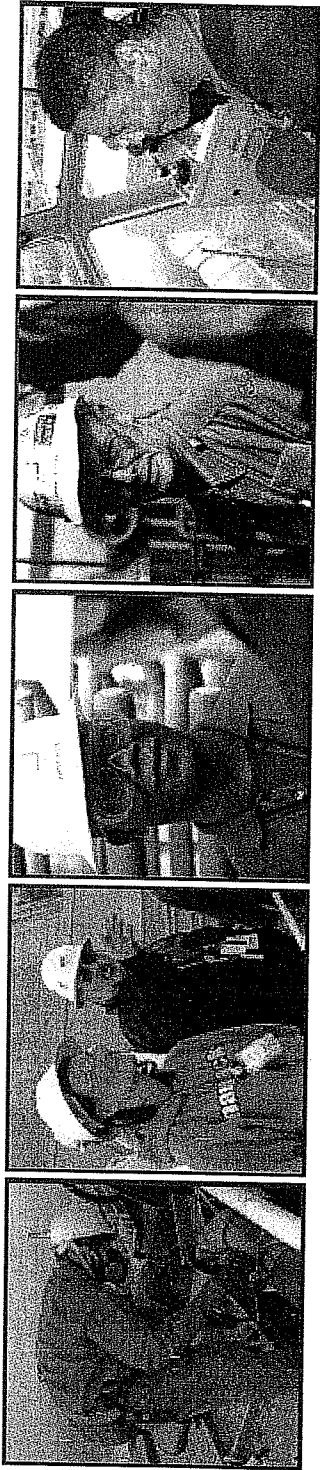
- Response submitted in letter dated February 8, 2008

Confirmatory Order – Related Actions

- In addition to the actions specified in the Order, SCE is taking other actions to address the underlying cultural issues:
 - Certification Process
 - Human Performance Improvement Plan
 - Corrective Action Improvement Plan
 - Efforts to improve supervisory engagement
 - Leadership Academy

Order Compliance

SCE has complied with the Confirmatory Order to date and is committed to not only completing the remaining actions but also to building on these actions to substantially improve site culture.



Closing Remarks

Presentation Summary

Ross Ridenoure
SCE Senior Vice President and
Chief Nuclear Officer

Summary

- We are committed to improving our human performance, problem identification and resolution, and addressing our cultural issues to ensure highest level performance at San Onofre
- Although we have taken steps to change our culture in the past six months, our rate of improvement is not at the level we find acceptable
- We have a clear vision of where we are and understand where we need to go
- We have had assistance by our external peers to help us identify our areas of improvement and believe we are on the right track with our improvement efforts
- We have and will continue to modify our plans to make certain we achieve our desired results for excellent performance

We have a lot of work ahead of us, but we are dedicated to getting it right and ensuring safe, reliable and environmentally sound operations today and in the future.

