ENCLOSURE 1 CONTAINS PROPRIETARY INFORMATION
WITHHOLD FROM PUBLIC DISCLOSURE IN ACCORDANCE WITH 10 CFR 2.390
REDACTED VERSION

FPL Energy Point Beach, LLC, 6610 Nuclear Road, Two Rivers, WI 54241

FPL Energy.
Point Beach Nuclear Plant

December 22, 2008

NRC 2008-0090
EA-06-178

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Point Beach Nuclear Plant, Units 1 and 2
Dockets 50-266 and 50-301
Renewed License Nos. DPR-24 and DPR-27

Confirmatory Order EA-06-178
Section IV.6 2008 Nuclear Safety Culture Survey Results

Reference: NRC Letter Dated January 3, 2007, Transmitting Confirmatory Order EA-06-178 (Effective Immediately)

This letter provides the FPL Energy Point Beach, LLC response to Section IV.6 of Confirmatory Order EA-06-178. Section IV.5 requires that a Nuclear Safety Culture Survey be performed at Point Beach Nuclear Plant (PBNP) by December 31, 2008. Section IV.6 of the Order requires that, "By no later than 3 months after the receipt of the next cultural survey results at PBNP, NMC (Nuclear Management Company, LLC, the former license holder for PBNP, now FPL Energy Point Beach) submit the executive summary, analysis of the results, and the contemplated actions to the NRC."

Enclosure 1 to this letter provides the executive summary requested by Section IV.6 of the Order. Enclosure 1 is being withheld from public disclosure in accordance with 10 CFR 2.390(b)(1) of the Commission's regulations as it contains proprietary information, which if released, could adversely affect the commercial interests of FPL Energy Point Beach. If detached from Enclosure 1, this letter does not contain proprietary information.

Enclosure 2 of this letter provides an affidavit attesting to the basis for withholding the information contained in Enclosure 1. Enclosure 3 provides an analysis and contemplated corrective actions prepared by FPL Energy Point Beach in response to the results of the 2008 nuclear safety culture assessment.

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ENCLOSURE 1 CONTAINS PROPRIETARY INFORMATION
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Summary of Regulatory Commitments

In accordance with the guidance contained in Nuclear Energy Institute (NEI) 99-04, "Guidelines for Managing NRC Commitment Changes," the corrective actions outlined in Enclosure 3 of this letter do not meet the criteria as regulatory commitments. As such, there are no regulatory commitments contained in Enclosure 3. FPL Energy Point Beach, however, intends to implement the corrective actions described in Enclosure 3 via the site's corrective action program.

The detailed results of the survey are available for review at Point Beach Nuclear Plant. If there are questions associated with this submittal, please contact me at 920/755-7624.

Very truly yours,

FPL Energy Point Beach, LLC

Larry Meyer
Site Vice President

Enclosures

WITHHOLD FROM PUBLIC DISCLOSURE IN ACCORDANCE WITH 10 CFR 2.390

ENCLOSURE 1

FPL ENERGY POINT BEACH, LLC
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

CONFIRMATORY ORDER EA-06-178
SECTION IV.6
2008 NUCLEAR SAFETY CULTURE SURVEY RESULTS

ENCLOSURE 2

FPL ENERGY POINT BEACH, LLC
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

CONFIRMATORY ORDER EA-06-178
SECTION IV.6
2008 NUCLEAR SAFETY CULTURE SURVEY RESULTS

AFFIDAVIT FOR WITHHOLDING

2 Pages Follow

AFFIDAVIT

STATE OF WISCONSIN:
SS
COUNTY OF MANITOWOC

Before me, the undersigned authority, personally appeared Larry Meyer, who being by me duly sworn according to law, deposes and says that he is authorized to execute this Affidavit on behalf of FPL Energy Point Beach, LLC, and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information and belief:

Larry Meyer
Site Vice President
Point Beach Nuclear Plant Units 1 and 2

Sworn to and subscribed before me

This 22nd day of December 2008

Fritzie A. Flentje
Notary Public
State of Wisconsin

My Commission Expires October 25, 2009

1. I, Larry Meyer, am Site Vice President, Point Beach Nuclear Plant Units 1 and 2, FPL Energy Point Beach LLC. As such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with nuclear power plant licensing and rule making proceedings and am authorized to apply for its withholding on behalf of FPL Energy Point Beach.

2. I am making this Affidavit in conformance with the provisions of 10 CFR 2.390 of the Commission's regulations.

3. Pursuant to the provisions of Paragraph (b)(4) of Section 2.390 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld:

    a. The information sought to be withheld from public disclosure is owned and has been held in confidence by FPL Energy Point Beach, LLC.

    b. The information is of a type customarily held in confidence by FPL Energy Point Beach, LLC, and not customarily disclosed to the public. FPL Energy Point Beach has a rational basis for determining the types of information customarily held in confidence.

        i. The information is being withheld from public disclosure to protect the FPL Energy Point Beach, LLC competitive position in the marketplace to recruit and staff positions at Point Beach Nuclear Plant Units 1 and 2.

        ii. Use of the information by competitors may place FPL Energy Point Beach at a competitive disadvantage by reducing the expenditure of resources by the competitor at the expense of FPL Energy Point Beach.

        iii. Unrestricted disclosure could jeopardize the position of prominence of Florida Power & Light Company, as well as its non-regulated companies, such as FPL Energy, and thereby give a market advantage to its competition for resources.

    c. The information being transmitted to the Commission in confidence and, under the provisions of 10 CFR 2.390, it is to be received in confidence by the Commission.

    d. The information sought to be protected is not available in public sources or available information has not been previously employed in the same original manner or method to the best of our knowledge and belief.

    e. The information sought to be withheld in this submittal is that which is appropriately marked in Enclosure 1, and is being transmitted by the FPL Energy Point Beach letter and Application for Withholding of Information from Public Disclosure, to the Document Control Desk.

4. Public disclosure of this information is likely to cause substantial harm to the competitive position of Florida Power & Light Company and to the FPL Energy Group, including FPL Energy Point Beach, LLC because it would enhance the ability of competitors to potentially acquire resources without commensurate expenses.

ENCLOSURE 3

FPL ENERGY POINT BEACH, LLC
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

CONFIRMATORY ORDER EA-06-178
SECTION IV.6
2008 NUCLEAR SAFETY CULTURE SURVEY
ANALYSIS AND CONTEMPLATED CORRECTIVE ACTIONS

Introduction

FPL Energy Point Beach, LLC received the results of the 2008 Nuclear Safety Culture Assessment (NSCA) on September 22, 2008. The survey was administered by SYNERGY Consulting Services Corporation (SYNERGY) in June 2008 at Point Beach Nuclear Plant (PBNP). At FPL Energy Point Beach's request, the NSCA was conducted using an employee survey which included write-in comment opportunities. Survey participants included FPL Energy Point Beach employees and long-term contractor personnel.

The 2008 NSCA was part of an ongoing series of activities designed to assess and monitor the PBNP organizational culture and to support FPL Energy Point Beach's continuous performance improvement agenda. It includes industry benchmarking information, and serves as a baseline against which the effectiveness of ongoing and future performance enhancement initiatives can be measured. The 2008 NSCA builds upon the information obtained from the PBNP cultural assessments performed by SYNERGY in October 2001, January 2003, December 2004, and August 2006.

The report also includes discussion and insights as to the station's Leadership, Management, and Supervisory Behaviors and Practices; and General Culture and Work Environment. Further, write-in comments were solicited and have been evaluated for additional insights for the station in the areas discussed.

Analysis of Results

Though additional work is warranted to affect positive change, the Safety Culture Report indicates that SCWE and ECP are considered effective at Point Beach. The report indicates that the most noteworthy area needing improvement is Nuclear Safety Values, Behaviors and Practices. In this area, the report highlighted:

- an imbalance in staffing numbers and the current workload,
- a lack of confidence in the Corrective Action Program (CAP) to resolve identified problems, and
- the perception that the station is more focused on production and cost than about overall safety.

Additionally, the report identified a need for improvement in the area of leadership, management, and supervisory behaviors and practices. Specifically, the report noted a need for improvement in the areas of management team availability, an environment of trust and mutual respect, and communications. In the area of trust and mutual respect, the report identified specific challenges for the station's management team, the station's senior management team, and the corporate management team. These include:

- Management Team
  - Perceived skill/knowledge level of some managers and supervisors
  - Interpersonal skills of some members of the Management Team
- Senior Management Team
  - Perception that decisions are being made based on fleet perspectives as opposed to needs of the station
  - Instability of senior manager tenure
  - Not leading by example
- Corporate Management Team
  - Perception that Corporate Management makes demands based on their desires as opposed to the needs of the station
  - Perception that Corporate Management does not respect the employees of Point Beach
  - Interpersonal skills of some members of Corporate Management when dealing with members of the Point Beach staff

Some additional station-wide opportunities were identified through review of write-in comments, independent interviews of personnel in the priority departments, and the outcome of Compliments and Concerns meetings that were held. These opportunities are in the areas of leadership stability and succession. In the area of leadership stability, the following examples were identified:

- Have not filled the Director of Plant Support position
- Lack of stability in the supervision and management population
- High turnover in management
- Constant turnover in supervision, (e.g., lost newly hired general supervisor to special projects, and no department supervisors for extended periods of time)

There is a perception across a portion of the organization that we do not promote from within. Other areas identified are as follows:

- Too many priorities
- Weaknesses in Station D-15 substance and usefulness
- Confusion over multiple procedures (e.g., plant-specific site procedures, former Nuclear Management Company, and Florida Power & Light)

Station-Wide Corrective Action Synopsis

Based on the review of the 2008 safety culture report, the station implemented some immediate compensatory actions. These actions include a corrective action program (CAP) breakthrough meeting attended by the station's leadership team and department CAP Coordinators. This meeting laid out station expectations for quality of evaluations, timeliness of corrective actions, manager's roles and responsibilities, the establishment of a stand alone Corrective Action Review Board (CARB) meeting to provide oversight of the CAP, the daily feedback to initiators on MRC disposition of CAPs, and the establishment of weekly departmental CARB meetings. In addition, each department conducted a rollout of the 2008 safety culture report results, initiated Compliments and Concerns meetings, completed SCWE training for new members of the leadership, and developed a succession plan for station leadership.

The station also established an outage meeting schedule with a primary focus on safety, keeping supervision engaged in the outage. The primary theme promoted during outage preparations and start of outage was safety first. In addition, the management team has been stabilized promoting long-term relationships between management team and the work force, and the station staff has been increased from approximately 580 to approximately 650 full time employees with a focus being in filling the Operations pipeline and increasing the Radiation Protection staff. The station will complete Crucial Conversation training for the management team by the end of the year and continues to fill open staffing positions.

Department-Specific Corrective Action Synopsis

The report also identified line organizations, classified as outliers, which did not meet "industry norms of acceptability," as defined by the vendor, or represent outliers with respect to "relative norms of performance" as compared with the composite of site general performance. These are:

- Emergency Planning
- Facilities Maintenance
- Maintenance Services
- Radiation Protection
- Supply Chain
- Information Management
- Instrumentation & Control (I&C)
- Operations
- Procedures/Document Control
- Performance Improvement

Managers of these departments held Compliment and Concerns (2Cs) meetings to role out results of the assessment and to gain insight into department specific concerns. In addition, an independent assessment, conducted through focus group interviews in these departments was performed to gain additional understandings of department specific issues. Based on review of all of the supplied data, the following areas of additional focus and follow-up were identified for the outlier departments:

Emergency Planning

- A suggestion was made to eliminate the post-accident sampling system (PASS)

Maintenance (Includes Facilities Maintenance, Maintenance Services,and I&C)

Work is needed in the area of gaining trust and confidence in department management. There is a perception that some supervisors are lacking in skills and knowledge and the department manager is not visible to all members of the department. In addition, there is a perception that the department is unwilling to promote from within. Other issues are:

- The desire for an Alternate Work schedule seems to be a big factor in I&C
- The overpower recorder was removed and was not replaced (I&C)
- Not being included in craft training (planning)
- Lack of understanding of planner roles and responsibilities (planning)

Radiation Protection

Focus needs to be placed in the departmental implementation of the Corrective Action Program and the resolution of concerns raised by department members. In addition, there is a perception that the department is unwilling to promote from within. Other issues are:

- Lack of follow-up on actions from team building event occurring several months ago
- Clarification of decontamination technicians manning RP technician posts during emergency response organization (ERO) drills

Supply Chain Management

- Work is needed in the area of gaining trust and confidence in department management. This is exemplified by the need for improved departmental communications and the perception that the department is unwilling to promote from within. Additionally, "our safety injection pump was at the vendor for 2 years and we spent 600k with no resolution."

Information Management

Significant work is needed in the area of gaining trust and confidence in department management. Other issues are:

- Core switch vulnerability
- Lack of Corporate manager involvement with site
- Broken equipment in control room – keyboard and monitor for process computer

Operations

Actions need to be taken to address accountability and ownership. Additionally, focus needs to be placed on the departmental implementation of the Corrective Action Program and timely and effective resolution of issues. Work is needed to dispel the perception that operational nuclear safety is not a primary focus of the department management. Feedback on nuclear safety includes shortcomings in communications, timeliness in addressing equipment related issues, and procedure quality. Other issues are:

- Operations concern list – things on list do not get fixed
- Parametric values to support instrument uncertainties have become the new "unofficial" Technical Specification limits - there is a need to resolve this issue

Procedures and Document Control

Actions are needed to communicate station trending philosophy associated with closing CAPs. Other issues are:

- Management Visibility
- Forty-three thousand documents in backlog, making no progress

Performance Improvement

The Leadership team needs to spend more time interacting with department members and provide mentoring and coaching.

Contemplated Corrective Actions

FPL Energy Point Beach has developed contemplated corrective actions as a result of the analyses performed of the 2008. In accordance with the guidance contained in Nuclear Energy Institute (NEI) 99-04, "Guidelines for Managing NRC Commitment Changes," the corrective actions outlined in this enclosure do not meet the criteria as regulatory commitments. As such, there are no regulatory commitments contained in this enclosure. FPL Energy Point Beach, however, intends to implement the corrective actions described in this enclosure via the site's corrective action program.

Corrective Action

Problem Statement: There is a prevailing lack of confidence that the Corrective Action Program (CAP) will resolve identified problems. This includes concerns over the timeliness to address issues, recognition of adverse trends, effectiveness of corrective actions, and the prioritization of nuclear safety issues.

Corrective Actions Taken

1. The station has taken numerous actions to significantly strengthen Corrective Action Program (CAP) effectiveness at the station. These include:
   - Overdue CAPs have been minimized by including an overdue metric which is discussed on a daily basis and by the Site Vice President holding managers accountable for the performance in their department.
   - A Performance Improvement Manager was hired to provide stability to the program.
   - The Site Vice President developed and communicated clear expectations for quality of evaluations, timeliness of corrective actions, manager's roles and responsibilities, the establishment of a stand alone Corrective Action Review Board (CARB) meeting to provide oversight of the CAP, the daily feedback to initiators on MRC disposition of CAPs, and the establishment of weekly departmental CARB meetings.
   - A performance indicator was developed, which monitors evaluation quality, timeliness of evaluations and actions, total open actions prioritized by risk, average age of pen assignments, and number of long term corrective actions down to the department level. This indicator is published and reviewed at the Plan of the Day meeting on a weekly basis.
   - The station is completing quarterly self-assessments to evaluate the quality of corrective action closures and to identify if any performance trends exist.
   - The Performance Improvement Department provides mentoring on new RCEs and ACEs being conducted at the station to improve quality and provide consistency of the final reports.
2. The station has revised the CAP Action Request Process to incorporate the expectations established in Action 1 to provide sustainability of performance improvements. In addition, the station has revised this process to incorporate the fleet process for risk ranking of corrective actions to ensure that nuclear safety issues are appropriately prioritized.

Actions to be Taken

1. In conjunction with the FPL fleet, the station will develop and implement improved trending capabilities to aid in the identification of adverse trends in 2009.

2. The station will develop and provide training in root cause (RCE) and apparent cause (ACE) evaluation techniques to ensure event causes are correctly identified and effective corrective actions are developed. The lesson plan for this training will be complete by the end of 2008. In addition, training will be provided to the Initial Screen Team members, Management Review Committee members, and supervisors and managers discussing their roles and responsibilities within CAP. Training will be completed by May 2009.

3. The station will establish the requirement that annual performance appraisals for managers and directors will include criteria for accountability to achieve excellence in CAP implementation. This will be completed in the first quarter of 2009.

Staffing and Work Load

Problem Statement: The station's staffing levels do not support the current workload of the station.

Corrective Actions Taken

1. The station has hired many management team members since the survey was administered in June of 2008. The positions hired include, the Site Vice President and the managers of Chemistry, System Engineering, Design Engineering, Licensing, and Performance Improvement. Filling these positions will stabilize the management team and promote long term relationships with the station staff. Additionally, the station is actively recruiting for other open leadership positions and will fill them when the most qualified candidates are selected.
2. The station's staff has been increased from 580 to approximately 650 full time employees. The primary focus of staffing increases has been in the Operations and Radiation Protection Departments. The station is actively recruiting additional resources for Engineering, Chemistry, Operations, Training, Maintenance, and Work Management. These positions will be filled when the most qualified candidates are selected.

Actions to be Taken

1. The station is working with the fleet to develop a low value work reduction initiative. The overall objective is to improve efficiency while maintaining a high level of nuclear and industrial safety and the initiative will be implemented throughout 2009.
2. A backlog reduction effort is ongoing in the area of the Corrective Action Program to reduce the associated station work load and provide more focus on contemporary issues. The station's goal is to be at industry norms of approximately 700 open actions by June of 2009.
3. An improvement project, being led by the Plant General Manager, is underway to improve the effectiveness and efficiency of completing scheduled work activities. This will be fully implemented by June 2009.

Leadership, Management, and Supervision

Problem Statement: Improvement is needed in the area of leadership, management, and supervisory behaviors and practices.

Corrective Actions Taken

1. The station has adopted the fleet models for *Self-Improving Culture*, *Safety Guiding Principles*, and *Prevention, Detection, and Correction*. These models provide the underlying values for leadership at Point Beach Nuclear Plant.
2. Meeting free zones have been established during the work day to provide additional time for supervisor/manager engagement with the work force.

3. The Site Vice President established clear expectations for manager engagement during the recently completed Unit 1 refueling outage. These expectations were:
   - One field observation per day. This resulted in 1800 field observations and improved human performance coupled with a lower injury rate.
   - Senior mangers were assigned to lead infrequently performed tests and evolutions.
   - Management Review Committee meetings were held seven days a week and Corrective Action Review Boards were conducted twice a week with minimum quorum requirements being met.
4. Subsequent to the Unit 1 2008 fall refueling outage, the Site Vice President established clear expectations for members of the leadership team to perform two field observations per month and one observation of Training. Performance is tracked and monitored on a weekly basis at the Plan of the Day meeting.
5. The station's Leadership Forum has been re-engineered to achieve better alignment with the leadership team. The re-engineering includes:
   - Topics are selected based on pre-determined focus areas
   - A strict biweekly schedule has been developed with mandatory attendance
   - Experienced leaders are providing the training and mentoring to other members of the leadership team
6. The station's leadership team has attended *Crucial Conversations* training to improve interpersonal skills, team relationships and alignment. Training was completed during December 2008. The training will be made available for new team members, the site will be certifying its own facilitators for this training in January 2009, and henceforth, will be offering the course on a periodic basis.
7. The station completed training in the area of safety conscious work environment SCWE for new members of the leadership team and established a recurring schedule for this training.
8. The station management team has developed a succession plan for key leadership positions. This plan will be reviewed and updated on an annual basis.
9. Station managers will continue to conduct Compliments and Concerns meetings on a periodic basis.
10. With respect to corporate interactions with the station, our analysis has concluded that a number of factors contributed to most of the comments, including the recent acquisition of the station by FPL Energy and relationships during the Unit 2 2008 spring refueling outage. Corrective actions taken to address this issue included:
    - Corporate and plant daily outage meeting schedules were revised
    - Daily reporting requirements were streamlined
    - Senior corporate leadership involvement at the site focused on support while emphasizing that station leaders were fully responsible and had authority for outage success

These actions contributed to the positive interactions between the station and the fleet and resulted in a successful outage.

Other actions to strengthen management and leadership engagement at the plant are being established as part of the site's Recovery Plan.

Production and Safety

Problem Statement: There is a perception that the station is more focused on production and cost than they are about overall safety. This perception is brought about by a concern over the sufficiency of funding levels to maintain nuclear safety and safe plant operations, and the balancing of safety, production, schedule, and cost priorities as related to demonstrated decisions around planning and execution of outages.

Corrective Actions Taken

1. The station established an outage meeting schedule with a primary focus on nuclear safety and keeping supervision engaged in the outage. The primary theme promoted during outage preparations and start of outage was nuclear safety first, deliberate execution, and "no rushing."
2. Site management established and reinforced the expectation that the control room was not to be contacted to obtain schedule updates.
3. A meeting with shift managers was held by the Site Vice President and the Plant General Manager in September to reinforce conservative decision making. Group discussions with the line organizations also occurred with these actions resulting in high levels of nuclear safety throughout the outage. In addition, INPO observations conducted during the outage concluded that the control room staff was very knowledgeable in defense in depth as it related to outage safety.
4. Resources were applied to address plant issues, both outage and online, for 2008 and 2009. An increased emphasis has been placed on addressing plant outage equipment issues during 2008 and 2009, with project schedules being updated accordingly.
5. The Plant Health Committee has been tasked, by the Plant General Manager, with the timely resolution of equipment issues identified by the station staff. A Top 10 list has been developed with those items affecting nuclear safety having the highest priority.

Additional Opportunities

Problem Statement: Additional station-wide opportunities to improve over all safety culture at Point Beach were identified through review of write-in comments and independent interviews of personnel in the priority departments. These opportunities include daily station communications, the perception that the station has conflicting priorities, and confusion over multiple procedures (e.g. PBNP, NMC, FPL).

Actions to be Taken

1. The station will benchmark other nuclear stations to identify improvements in our daily communication products. This will be completed by March 2009.
2. The station will resolve the multiple procedure issue by eliminating the NMC procedures by the end of 2009. Station procedures will be evaluated and incorporated into fleet procedures as a normal part of fleet integration.
3. Condition reports will be initiated for department specific issues identified in this report and will be tracked to completion in the corrective action program.