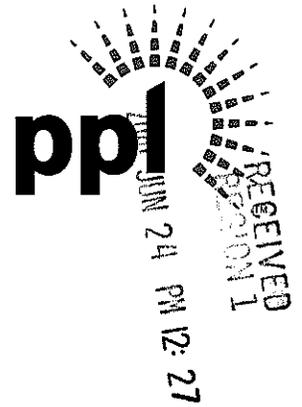


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JUN 16 2010



Mr. Samuel J. Collins
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**SUSQUEHANNA STEAM ELECTRIC STATION
PPL RESPONSE TO NRC RESOLUTION
OF AN ALLEGATION
PLA-6623**

**Docket Nos. 50-387
and 50-388**

*Reference: 1) Letter from David C. Lew to Timothy S. Rausch, dated May 27, 2010,
regarding NRC Resolution of an Allegation of Discrimination.*

This letter provides the PPL response to the referenced letter dated May 27, 2010. We have confirmed that corrective actions have been taken to address the types of behaviors described in the referenced letter. We have also identified additional prevent recurrence actions we will take based on the information NRC provided in the referenced letter. Collectively, these actions will build upon the significant progress the Susquehanna team has made since early 2008. These actions will also add to the momentum the Susquehanna team has created to achieve the long-term sustainable strong safety conscious work environment and nuclear safety culture.

The referenced letter requests PPL to “provide a supplemental response to the NRC that either: (1) confirms that these prior corrective actions address the behaviors exhibited by the events of March 26, 2008, and if so, describes which corrective actions address them and how; or, (2) describes the additional actions, taken or planned, to address these behaviors and preclude recurrence”. The behaviors are described as “critiquing the SRO and complaining of the delay.” The letter expresses a concern that these behaviors could have led to perceptions that schedule rather than safety was motivating the behavior.

PPL agrees that the described behavior is “not conducive to a healthy Safety Conscious Work Environment (SCWE) at Susquehanna.” PPL agrees that the described behavior could have resulted in perceptions that “schedule pressure over safety” played a part in motivating the behaviors. Our review of this event also identifies that an important aspect of the issue, not specifically addressed by the referenced NRC letter, relates to the adequacy of the communications that occurred between the two principles involved. Specifically, the Assistant Operations Manager did not communicate to the SRO his reasons for temporarily reassigning the SRO to the operating unit from the outage unit.

Had this communication occurred, the potential for the SRO's actions to have been interpreted as prioritizing schedule pressure over safety would have been lessened.

The described behavior is not in accordance with our values and standards. We have published a Work Standards Handbook that has been issued to all in leadership positions. The handbook describes standards and policies that are expected to be adhered to at Susquehanna.

The handbook includes the following principles:

- We will routinely demonstrate mutual respect by treating one another professionally and challenging each other in a positive way.
- As a team, we are committed to a high standard of conduct, mutual respect for others and a culture which supports freely raising and effectively resolving issues and concerns.
- Leaders demonstrate a commitment to safety.
- Decision-making reflects safety first.
- We fully and accurately disclose information related to our work.

As described in the referenced letter, PPL developed action plans and implemented corrective actions to address the NRC's and our concerns regarding a potential chilled work environment at Susquehanna. PPL was aware that NRC Office of Investigations (OI) was performing an investigation, and similar to NRC, PPL did not perform specific investigations or reviews of the events of March 26, 2008 so as to not interfere with the ongoing NRC OI investigation. However, other similar behaviors involving different employees in different settings were reported in early in 2008. These other similar events were used as input to the PPL work environment improvement plans and the root cause evaluation completed in May 2009. The root cause evaluation report identified that management actions related to some performance and production issues negatively affected the work environment.

As a result of the investigations performed in 2008 and 2009, PPL took corrective actions to address work environment issues involving behaviors that are similar to those described involving the need for better communications and treating personnel with respect. The relevant actions PPL has taken and how they address the described behavior include:

- Development, assessment and implementation of a leadership development plan for senior leadership team members. Subsequently provided coaching based on the individual needs identified emphasizing constructive leadership behaviors around the nuclear safety principles. These actions utilized external organizational behavioral expertise to profile, identify strengths, weaknesses, and develop actions to address weaknesses and build on the strengths.
- Reorganization and reassignment of personnel in leadership positions was implemented. This resulted in establishment of a leadership team who has the leadership skills and assignment to sustain a healthy nuclear safety culture.
- Refresher training on the attributes of a healthy nuclear safety culture using the Davis Besse event and the INPO "Principles for a Strong Nuclear Safety Culture" was provided to employees in leadership positions.
- Safety Conscious Work Environment Refresher Training was provided to the senior leadership team to address their roles in fostering a safety conscious work environment and their role in resolving employee issues and concerns. The training reinforced the expectation that safety will not be compromised for production.
- As described in the Susquehanna Work Environment administrative procedure, General Work Environment, Safety Conscious Work Environment, Davis Besse and the INPO "Principles for a Strong Nuclear Safety Culture" training will be provided to those in leadership positions every two years.
- The SSES training department conducted a training needs analysis, which determined that a formal training course to develop coaching skills at Susquehanna would be beneficial for those in Susquehanna leadership positions.
- Pursuant to the above training needs analysis, Susquehanna designed and developed formal training titled "Coaching and Communicating for Results." This course is focused on coaching styles, proper coaching environment, formal and informal coaching techniques and the impact of proper and improper coaching can have on the work environment and station performance. This course was delivered to second line leadership and above personnel on May 6, 2010. The course was developed and taught by an external consultant who specializes in management leadership and organizational development.
- Operations personnel were given a personality profile designed to help them improve personal and team effectiveness as part of an operations department cultural assessment. Follow-up dialogue sessions were held with a behavior expert to assist with interpretation and application of the results in the operations

team environment. These actions utilized organizational behavioral expertise to profile, identify strengths, weaknesses, and develop actions to improve weaknesses and build on the strengths.

PLA-6598 dated January 25, 2010 (ML 100260405) describes our assessment of the health of the work environment as of January 2010 and the incorporation of the work environment plan into our broader efforts to improve station performance through a station excellence plan. The PLA identifies that PPL has developed momentum to a strong general work environment (GWE) and SCWE, but that relationship behaviors needed further action. As a result, PPL's current plans also incorporate actions that are intended to prevent recurrence. Specifically, the Stations Excellence Plan contains a focus area entitled "Maintaining Healthy Work Relationships"; this focus area includes leadership skills, teamwork, alignment and communications (among others). The actions currently identified in the station excellence plan that are relevant to the subject behaviors are:

- Develop and provide effective communications training for those in leadership positions for the purpose of improving both personal and communications effectiveness and improved written and visual communications processes.
- Assess Communications training needs for first lines and provide training based on the needs assessment.

We have identified additional actions that we will take to enhance and strengthen the current actions taken and planned to help preclude recurrence of the behavior described in the referenced letter:

- Add a "Coaching and Communicating for Results" course to the first line supervisor training curriculum suite of courses.
- Provide the "Coaching and Communicating for Results" course to the first line supervisors.
- The AOM involved has been coached by the Plant Manager. The coaching revealed that the AOM has a firm understanding of how his behavior contributed to the cited event and how it could have resulted in perceptions that schedule was more important than safety.
- The AOM volunteered to share the lessons learned from this event with the Susquehanna leadership team. The applicable standards, principles and what behaviors contributed to the event will be addressed, along with how unintended perceptions can readily be created by one's behaviors. This dialogue will include a discussion of the inherent and unique difficulties nuclear leaders face during times

when the organization and individuals are stressed to meet challenging goals and need coaching to improve performance. These will be shared with those in leadership positions by August 30, 2010.

PPL remains committed to addressing its work environment issues. Our improvement plans continue to evolve as we gain new insights from implementation. The additional actions described above are an example of how we continue to assess and adjust our plans. We are actively managing, monitoring and supporting improvements in our work environment. We will, through end of the Susquehanna operating license, continue to use external independent monitoring tools (such as Synergy surveys and INPO assessments) to supplement our internal monitoring tools (such as self assessments, metrics, surveys, feedback and dialogue sessions, etc) to assure we are checking and adjusting in a manner that will identify and promptly act on indications of decline in any aspect of the Susquehanna safety conscious work environment or safety culture. We also are closely monitoring the current NRC and industry safety culture pilot activities so that we will be in a position to implement the initiative in a timely manner.

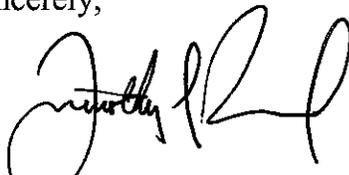
We have made significant progress (reflected in metrics, surveys, and NRC inspection results) and will continue to work towards establishment of a long-term sustainable strong safety conscious work environment and nuclear safety culture at the Susquehanna Steam Electric Station.

The corrective actions taken and the actions we have planned address the behaviors described in the referenced letter.

The actions described herein do not meet the criteria of new regulatory commitments. As such, there are no regulatory commitments contained in this letter. However, PPL fully intends to implement the actions outlined in this letter as described.

If you have any questions or need further information, please call Mr. Michael Crowthers at (610) 774-7766.

Sincerely,



T. S. Rausch

Copy: Mr. P. W. Finney, NRC Sr. Resident Inspector
Mr. R. V. Guzman, NRC Sr. Project Manager
Mr. R. R. Janati, DEP/BRP