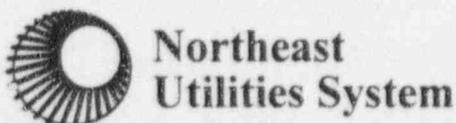


The Nuclear Excellence Plan - Rev 00
For Employee Review and Comment
July 2, 1996

THE NUCLEAR EXCELLENCE PLAN
... For Employee Review and Comment



9607050200 960702
PDR ADDCK 05000423
P PDR

TABLE OF CONTENTS

Section I - Foundation for Nuclear Excellence

1.	The Nuclear Excellence Plan	3
2.	Our Mission	3
3.	Sharing and The Power of Five	3
4.	Our Vision and Our Values	4
	A) values, behaviors and results	
	B) strategic goals	

Section II - The Business Environment and Change

1.	Current State Analysis	8
2.	Transition to the Future State	9
3.	Changing Our Management Model	11

Section III - The Nuclear Excellence Plan

1.	Development of the Plan	14
2.	Objectives, Strategies and Major Initiatives	15
	• <i>Become a recognized industry leader</i>	16
	• <i>Rebuild regulatory confidence</i>	18
	• <i>Improve communications/morale</i>	20
	• <i>Increase teamwork</i>	22
	• <i>Improve employees' ability to conduct work successfully</i>	23

Appendix

A.	Values for Excellence	(Attached)
B.	Key Performance Indicators	(Attached)
C.	Detailed Action Plans	(Later)
D.	Nuclear Excellence Plan Master Schedule	(Later)
E.	Fundamental Cause Assessment Team Results	(Later)
F.	Improving Station Performance Plan	(Later)
G.	Resource Requirements	(Later)
H.	Employee Comment Forms	(Later)

Section I - FOUNDATION FOR NUCLEAR EXCELLENCE

1. The Nuclear Excellence Plan

The Nuclear Excellence Plan is a comprehensive, group-wide strategy to achieve world-class performance as a nuclear operating company. We will operate our five units using common objectives, strategies, business processes and performance goals. Our vision of nuclear excellence can only be realized by dramatically changing the way we do business, and that especially includes respect for the issues and concerns of every member of the Nuclear workforce. This means that management must focus on making sure that the work force is highly skilled and trained, and that the Nuclear Group culture is revitalized to be a more open, communicative and trusting environment.

2. Our Mission

Every successful organization must have a clear definition of what must be done in order to exist on a long-term basis. Our Mission is the statement of our business purpose. It describes how the people in the organization -- working together as a team -- will deliver the needed end product.

NU NUCLEAR GROUP MISSION

To provide SAFE, ENVIRONMENTALLY SOUND, DEPENDABLE, AND ECONOMIC generation of electrical energy utilizing nuclear power.

3. Sharing and The Power of Five

The Nuclear Excellence Plan implements our *Power of Five* philosophy. That philosophy directs the appropriate level of management focus on the operation of each of our Units. All members of the Nuclear Group share responsibility for the performance of all our nuclear units, which means that our individual performances will be measured -- in part -- by the ability of all the operating units to achieve excellence.

4. Our Vision and Our Values

Our vision statement expresses the characteristics of what kind of an organization we want to be. It gives us a sense of direction, and describes the conditions and capabilities that are needed to achieve our goals. Our vision statement is designed to promote and inspire lasting change.

NU NUCLEAR GROUP VISION

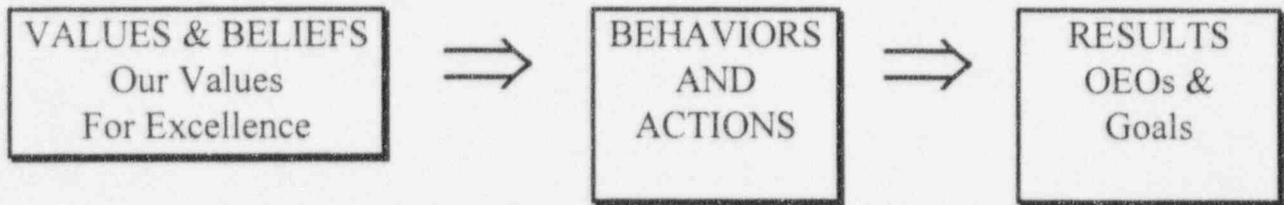
Our vision is to achieve results of excellence in the areas of nuclear safety performance, plant performance and human performance. We will do this through a committed work force, and a work environment that promotes professionalism, openness and trust.

Based upon our vision, our management team has drafted objectives and strategies to achieve excellence. Because of our vision, we can now set performance standards that measure success in terms of sustained results, and hold managers accountable for those results. The Nuclear Excellence Plan serves as our vehicle for defining and communicating these standards so that everyone in the organization can understand and embrace them.

In developing The Nuclear Excellence Plan, we are operating under a broad set of ideals which we believe we must adopt in order to be successful. These ideals are required to bring about the changes we'll need to make to achieve our goals for nuclear excellence. These ideals include:

- A shared set of values
- Commitment to a common vision and mission
- Teamwork among all employees in achieving our goals

A. Values, Behaviors and Results



This simple illustration sums up the relationship between our core values, what actions we take, and what sustained results we achieve.

An important factor in our commitment to excellence is to focus on a set of core values that will guide our daily actions and behaviors. Core values are a measure of those qualities that reflect the best in human performance; they are needed to create a trust-filled work environment, foster mutual success and create an environment in which differences of professional opinion are truly valued. Our values and beliefs drive actions necessary to develop, implement and measure the success of the Excellence Plan. Finally, the results of these behaviors will reflect the achievement of our operational excellence objectives and goals.

Our values are only words unless they become a part of daily life. We are committed to creating an expectation for performance that is based upon what we call our *Values for Excellence*. Our goal is to use these values as the foundation of our everyday work. Meeting that goal begins with individuals taking responsibility for their own actions within every level of the company.

The Nuclear Group's *Values for Excellence* are:

- Professionalism
- Excellence
- Trust
- Quality
- Accountability
- Safety
- Integrity
- Teamwork
- Respect
- Efficiency
- Communication

(In the appendix you will find detailed definitions of each of these *Values for Excellence*.)

We know we cannot achieve nuclear excellence unless we address the human behavior issues that have contributed to our current problems. Our Values for Excellence provide us with a way to change our current culture by establishing a clear standard of expected behavior. We must learn new ways of interacting by coaching each other and challenging each other -- constantly asking ourselves: Are we acting in ways that support these values? ... And are we living up to our expected personal and professional standards of behavior?

Our vision of excellence can only be achieved through commitment and involvement by all employees. A commitment to excellence and a personal involvement in its achievement is the foundation of our plan.

We will establish clear expectations for each employee that are synchronized with our Nuclear Group vision and goals. We will also encourage employee involvement with the introduction of 360-degree feedback to provide employees with an effective way to communicate their perception of management performance, trust levels and nuclear group effectiveness. We recognize the importance of honest and open communications -- such as the 360 reviews -- to develop trust and gauge our effectiveness as an organization.

We will use measures of success that are accepted industry wide, including measures that reflect how our own employees gauge progress. Progress in these areas of measurement will be an indication that our values and our management model are successfully transforming our organization.

Having a greater voice, not only in the day-to-day management of work process, but in the evaluation of our effectiveness, increases our ability to influence decision making and success.

B. Strategic Goals

Our strategies are all directed at achieving nuclear excellence. We will measure our progress by tracking our achievements in nuclear safety performance, plant performance and human performance. Our first priority is always to achieve excellence in safety operations. It is our belief that achieving excellence in safety operations will lead directly to success in our second priority, plant performance. As important as safety and plant performance are, we know that we will only achieve long-term success by recognizing that human performance is equally essential for our future survival. We especially recognize the need to reestablish a solid foundation of trust in order to develop the teamwork and partnerships necessary to achieve excellence in all areas.

Our strategic goals reflect the goals set by the best-performing facilities in the country, and achieving those results is an essential factor in our efforts to become -- once again -- a top-quartile performer in our industry.

NU NUCLEAR'S STRATEGIC GOALS

NUCLEAR SAFETY PERFORMANCE

SALP 1
INPO 1
No Automatic Plant Trips

PLANT PERFORMANCE

TOP-QUARTILE PERFORMANCE
in:
• System Availability
• Capacity Factor Between Outages

HUMAN PERFORMANCE

Motivated & Empowered Workforce
Strong Management Team

Having a defined focus provides us with a model by which we can challenge ourselves to make sure we are doing the right things. We need constantly to ask how an activity or decision contributes to each of these goals, and whether or not we are focusing on the right goals at the right times.

Section II - THE BUSINESS ENVIRONMENT AND CHANGE

1. Current State Analysis -- what is our situation today?

Our current-state analysis examines the internal and external factors of our organization. This analysis focuses on the main environmental factors that are affecting the Nuclear Group. Many of these environmental factors present both threats and opportunities. Changes to one aspect of the way we do business, without changes to other parts of our operations, may mean that success cannot be achieved. For NU Nuclear to achieve excellence, new roles and responsibilities are required and these new demands are reflected in the Excellence Plan's objectives and strategies.

The current state of NU Nuclear is mixed, with some Millstone units demonstrating lowest quartile performance. Experience shows that regardless of the weaknesses we have identified, and the improvement plans we have tried to implement, lasting improvement in performance has not occurred. Therefore, we have looked deeper in preparing the Nuclear Excellence Plan to determine why we have not improved. It is important to continually remind ourselves that the first order of business is to improve safety performance, then to focus on additional plant performance improvements. In the past, the message received by the work force was that we focused on superficial improvement and economic issues, instead of on the proper balance of long-term safety and plant performance requirements. Management also frequently neglected the human performance aspects of the Nuclear Group. This led to poor communications and a growing loss of trust.

The Nuclear Excellence Plan has been developed with input from a number of key sources. These sources include: organizational self assessments performed over the past five years, internal focus groups and meetings with a cross-section of Nuclear employees, INPO corporate and plant evaluations, and NRC evaluations and inspection results.

In addition, the preliminary results from the Fundamental Cause Assessment Team (FCAT) for performance decline at Millstone Station performed for the Nuclear Committee Advisory Team to the Northeast Utilities Board of Directors was an important input for the Excellence Plan.

The focus areas from the fundamental cause assessment generally confirmed the approach taken in the Plan. The final results from the assessment will also be used to determine if any adjustments to the plan are necessary to address the causes for the performance decline at certain of our Units.

2. Transition to the Future State -- where are we headed?

Other nuclear organizations have successfully changed themselves in the face of Watch List scrutiny, and have emerged as among the best-performing plants in the country. The single most important action that these other nuclear utilities have taken to achieve high levels of performance is a fundamental change in the way management operates to create and sustain a high level of organizational performance. With this experience in mind, we are using a proven management model for managing a large, multi-site nuclear utility rather than continuing with our traditional focus on single-unit problems.

The Nuclear Excellence Plan sets the critical foundation for our path to success. However, no plan can substitute for competent, knowledgeable and motivated staff. By itself, the plan will not restore NU to a leadership position in the industry, nor will it achieve our goals; it does, however, provide a framework for addressing the challenges we face and identifies what we must do differently in the future. The success of the Plan depends on management accepting accountability for, and ownership of, problems and performance. Success also requires a spirit of cooperation from employees throughout the workforce who see clearly that our future depends on how effectively we are able to implement the Nuclear Excellence Plan.

The strategies needed to implement this perspective are grounded in our Operational Excellence Objectives:

Industry Leadership

Establish a five-unit management model that will provide the leadership required to achieve nuclear excellence in operations by creating change in the way we manage the nuclear program at Northeast Utilities. The specific strategic focus areas will include planning and direction, ownership and expectations, and appropriate monitoring and follow through, which are the major components of every successful management model. To become an industry leader, we will:

- Set high performance expectations and standards.
- Drive mutual accountability and self assessment.
- Improve planning, prioritization and performance monitoring skills.
- Implement best practices and common business methods.
- Communicate directly with employees and line managers.
- Assure that poor management performance is identified and resolved by senior management.

Teamwork

Encourage workforce systems that embrace the Power of Five strategy for the unified, consistent approach to management, problem solving, resource sharing and capitalizing on the synergies required to achieve and sustain nuclear operational excellence. We recognize and value differing opinions and view them as a visible sign of teamwork.

Regulatory Confidence

Establish a focus on safe operations through Nuclear Group-wide processes that assures safe operation, conservative decision-making, conformance with regulatory requirements and proactive communications. This strategy will substantially upgrade the process for key licensing requirements and provide for proactive communications with the NRC and other regulatory bodies.

Communications & Morale

Rebuild employee confidence in management by holding managers accountable for the performance results specified in the Plan. Management will create an environment that values employee contributions, as well as efficiently and fairly resolves employee issues within the organization.

Clear expectations for these communications will be defined and reinforced throughout the organization. The expectation that management and supervisors are responsible to remove the walls preventing employees from solving problems and for resolving employee concerns will be part of those communications.

Conducting Work Successfully

Remove barriers and redesign our work processes. Implement re-engineering plan actions and address other basic work process improvements that will directly support the Excellence Plan. The strategy will also identify additional barriers including organizational, personnel, materials management and Information Technology.

3. Changing Our Management Model

We will implement a new management model to manage change, which is a critical factor for achieving the required performance improvement. The new model focuses on setting priorities and establishing clear expectations and ownership for performance results. Accountability and teamwork will be achieved through peer forums for performance monitoring and effective management. This model will be the major driver to achieving nuclear excellence and is a "best practice" at a number of top-performing companies. The model will force continuous discussion of the major goals of our nuclear organization.

We need to create a management model that will release the creative energies of our work force to optimize plant performance. Our management model will center on three distinct elements:

a) Planning and setting priorities

We start by creating a realistic vision for our organization. We then make decisions using that vision, in accordance with our priorities, and we utilize processes such as the DCA (Determine Course of Action) to help us get the job done most effectively.

b) Expectations and ownership

We then establish clear expectations regarding areas of responsibility and desired results. The goal is to develop real ownership of plant systems and processes by employees, teams and management. By focusing on results, we can push decision making down to the appropriate level and allow employees to take a more active role in our future success.

c) Monitoring results and follow through

Finally, we take the time necessary to monitor whether or not we are getting the results we desire. In the past, we have sometimes confused activity with achieving results, and we have completed projects without evaluating whether or not we really achieved our goal. To be successful in the future, we need to focus on doing the right things, and on critical evaluation of our progress. And we need to adjust our programs, procedures and policies to achieve the required result.

This management model also relies upon establishing clear expectations, coaching performance, and removing barriers to success. When we agree on all aspects of a project and fully understand the rewards of success and the consequences of failure, we create accountability and ensure results are achieved at all levels within the organization.

The new management model allows for the development of partnerships among employees, teams and management. It shifts our priorities from command-and-control to focusing cooperatively on one common objective. It creates the standards by which we judge ourselves and measure our success.

Section III. - THE NUCLEAR EXCELLENCE PLAN

1. Development of the Plan

The first step in developing the Nuclear Excellence Plan was to publicize internally the need for a major change in the way we manage our business. This allowed us to define our existing management systems, and to agree on how we are going to change our management model. The next step was to define an agenda (the strategies, initiatives and action plans contained in The Excellence Plan) to demonstrate this to all managers in the Nuclear Group. The Plan will not only improve the organization's performance; it will help teach the organization a new way to manage and to achieve successful results.

Each of the three aspects of the management model described above (Planning and Prioritization, Expectations and Ownership, and Monitoring results and Follow-through) has been demonstrated by the development of the Plan and will be further demonstrated by implementation of the Plan's action plans.

Implementation of the plan will demonstrate the new management model through:

- Assuring acceptance by the management team of the root causes for performance problems and the need to make operational excellence the cornerstone of the management model
- Demonstrating an understanding of the magnitude of current problems and translating these into our objectives, strategies, initiatives, action plans and key performance indicators for change
- Communicating clear expectations throughout the organization about what is required to achieve nuclear excellence and competitive performance
- Providing ownership and accountability at every level of the organization for performance results
- Creating a way of doing business with continual improvement through self assessment

Many improvement plans fail because they are task-and-activity oriented rather than results-oriented. Therefore, even though all the activities in strategic plans are completed, real and lasting improvement often does not occur. Management has insisted on performance measures (KPIs) that track results related to the Excellence Plan objectives.

2. Objectives, Strategies and Major Initiatives

Our planning framework remains fully consistent with the Nuclear Group Operational Excellence Objectives and our strategic business planning process. The Nuclear Excellence Plan is structured around our five Operational Excellence Objectives as described below:

The various initiatives will be pursued as either:

- **Phase 1** - proceed now with action plan development, or
- **Phase 2** - do not commence work on action plan development until later in 1996, or
- **Intervention** - take action immediately.

OBJECTIVE #1: BECOME A RECOGNIZED INDUSTRY LEADER

Return NU to a position of leadership in the U.S. nuclear industry.

STRATEGY:

Establish a five-unit management model that will provide the leadership required to achieve nuclear excellence in operations by creating dramatic and fundamental change in the way we manage the nuclear program at Northeast Utilities.

SPONSORS: Ted Feigenbaum and Bill DiPiro

INITIATIVES:

1. Management Model & Performance Management

Focus the management team and the organization on a management approach that values open and honest communications. Use the management model and manager role models as a primary means by which Nuclear Group management communicates values and demonstrates consistency and commitment to the Nuclear Excellence Plan. Restructure performance monitoring systems to be tough on problems and results, not on people. Implement Nuclear Level Determine Course of Action (DCA) as the strategic planning focal point for the organization, including incorporating the Operations DCA into the Nuclear DCA to provide the high-level focus for the Excellence Plan. Revise the charter to specify the process to be used to develop, revise, conduct performance reviews of and manage the Nuclear Excellence Plan.

Gordon Winters, Action Plan Manager. -Intervention

2. Effective Nuclear Safety & Oversight

Strengthen the role of the nuclear oversight functions (NS&O, NSAB, and SORC/PORC) and define line management expectations to assure the plan is successfully implemented and we achieve our strategic goals for nuclear excellence.

Ed Desmarais, Action Plan Manager - Phase 1

3. Benchmarking & Best Practices

Develop and implement expectations for the Nuclear Group to benchmark against the best in the industry to provide direct payback linked to the Plan. The focus of this initiative is on two approaches for benchmarking: (1) grassroots visits to INPO 1 and SALP 1 plants to observe effective management and work practices and (2) targeted processes where other utilities have been successful to facilitate the rapid change necessary to achieve the expectations of the Plan. In addition, develop a strategy for participation in industry groups that will complement the Excellence Plan goals.

Establish a comprehensive and strategic set of standards that will set management expectations for material condition of the nuclear units tied to our nuclear excellence goals. These standards should address, as a minimum, maintenance backlogs, maintenance rule reliability issues, preservation and cleanliness standards, radiological standards, and outstanding issues in areas of operator burdens, control room indications, labeling and tagging.

Rick Kacich, Action Plan Manager - Phase 2

4. Management Development & Leadership

Implement a program of management and personnel development and leadership, including implementing the Employee Concerns Task Plan management programs. Introduce 360 degree feedback systems to provide employees with a legitimate means to communicate employee perceptions on management performance, organizational trust levels, and Nuclear Group effectiveness in achieving our goals.

Implement the actions necessary to result in ownership of nuclear training by the line organization, and clarity in the roles and responsibilities between the training organization and line management.

Harry Haynes, Action Plan Manager - Phase 1

OBJECTIVE #2: REBUILD REGULATORY CONFIDENCE

Rebuild our regulatory margin and establish an effective working environment with the regulators.

STRATEGY:

Establish a focus on safe operations through Nuclear Group-wide processes that assure safe operation, conservative decision making, conformance with regulatory requirements, and proactive communications.

SPONSORS: Eric DeBarba and Pete Richardson

INITIATIVES

1. Corrective Action

Establish and implement a common corrective action program to determine underlying causes of problems and develop actions that will result in sufficiently broad and lasting solutions. Include monitoring and follow up to preclude recurrence.

George Gram, Action Plan Manager - Phase 1

2. Self-Assessment

Establish and implement a self-assessment program that will be based upon prompt identification and effective resolution of problems at all organizational levels. Integrate self-assessment with external and internal operating experience programs, and implement additional changes to transition to a learning organization. Train personnel and instill personal responsibility for problem identification and resolution.

Pete Stroup, Action Plan Manager - Phase 1

3. Commitment Management

Upgrade the commitment management program to prioritize, assign, monitor and manage commitments consistent with industry best practices. Provide management follow up to assure that commitments are fully met.

Greg Kann, Action Plan Manager - Phase 1

4. Configuration Management

Establish configuration management programs and processes that will assure conformance to design and licensing bases.

Joe Vargas, Action Plan Manager - Phase 1

5. **10CFR50.59 Implementation**

Implement an improved 50.59 safety analysis process that supports the revised configuration management processes.

Mike Kai, Action Plan Manager - Phase 1

6. **Regulatory Communications**

Implement a proactive regulatory communications program.

Terry Harpster, Action Plan Manager - Phase 1

OBJECTIVE #3: IMPROVE COMMUNICATIONS/MORALE

Develop and maintain a high degree of trust between management and the rest of the organization. Improve communication and morale so employees know that issues brought to management's attention will be resolved in a timely manner.

STRATEGY:

Rebuild employee confidence in management by holding managers accountable for the performance results specified in the Plan, by demonstrating integrity to our stated goals and by modeling the required behaviors and values (teamwork, open and honest communications, conservative decision making, and accountability for results).

SPONSORS: Don Miller and Bill Riffer

INITIATIVES

1. Optimize Organizational Structure

Evaluate and implement the organizational and process changes from the NRET study that will stabilize the organization to the maximum extent possible for the one-to-two year time horizon of the Plan. Intervention - no action plan required.

Rick Kacich, responsible.

2. Employee Concerns Task Plan

Evaluate and improve the ability of functional area managers to resolve employee issues and communicate effectively with employees, including satisfactory resolution of concerns and issues. Integrate the Employee Concerns Task Plan with the Nuclear Excellence Plan, including clarifying responsibility of the line organization for improvement actions.

Specific Task Plan actions include:

1. Chief Nuclear Officer expectations (see Initiative 1.3)
2. Communications
3. Management Programs (see Initiative 1.5)
4. Training
5. Organizational Development Assistance
6. Employee Concerns Program Enhancement
7. Programs and Policies
8. Contractors
9. Effectiveness Measures

Larry Chatfield, Action Plan Manager-Phase 1

3. Employee Communications

Restructure the vehicles used to communicate within the Nuclear Group. Establish a communications program to roll out the Plan, communicate expectations to the Nuclear Group for the excellence measures, objectives, strategies and initiatives, communicate performance results, and assure that all nuclear employees are committed to the Plan. Provide a means by which employee comments can be integrated into the Plan and the results can be fed back to the organization. Build employee buy-in and commitment to the Nuclear Excellence Plan by involving employees in regular, face-to-face dialogues regarding our vision of Nuclear Excellence and our shared responsibility for achieving that vision. Emphasize the strategic approach of the Plan, explain and demonstrate the new management model, and respond effectively to employee issues.

Dick Winn, Action Plan Manager-Phase 1

4. Public Communication

Develop a public communications program that will promptly and accurately communicate performance results to the public

Tony Castagno, Action Plan Manager-Phase 1

OBJECTIVE #4: INCREASE TEAMWORK

Create a high level of cooperation and mutual support among all five units, allowing us to develop a strong, shared sense of ownership and accountability throughout the organization for five-unit success.

STRATEGY:

Implement management systems that will implement the Power-of-Five strategy for the unified, five-unit company approach for management, problem solving, resource sharing, and capitalizing on synergies required to achieve and sustain nuclear operational excellence.

SPONSORS: Frank Rothen and Mike Brothers

INITIATIVES

1. Continuous Improvement Teams & Strategies

Establish a peer group improvement strategy and program focused on process improvements modeled on other multi-site utilities, and take advantage of lessons learned from the quick-hit teams and problem-solving approaches used by the NRET. Create the forums for cross-company discipline interactions (e.g., operations, maintenance, and system engineering) to share lessons learned and to develop common, best-practice solutions to problems.

Bill Nevelos, Action Plan Manager-Phase 2

2. Standardize Technical Maintenance & Operations

Establish and implement a policy and direction for standardized administrative manuals, technical, maintenance and operating procedures and processes, including ownership, for use throughout the Nuclear Group.

Trey Kirkpatrick, Action Plan Manager-Phase 1

3. Resources Sharing & Staff Utilization

Using other successful multi-site utilities as a model, develop and implement a plan to explore alternatives that maximize resource sharing and staff utilization.

Bill Carr, Action Plan Manager-Phase 2

OBJECTIVE #5: IMPROVE EMPLOYEES' ABILITY TO CONDUCT WORK SUCCESSFULLY

Remove barriers and redesign our work processes. Enable the organization at all levels to complete required work successfully by providing lasting solutions to problems, maintaining effective configuration control and operating effectively and efficiently.

STRATEGY:

Implement re-engineering plan actions and address other basic work process improvements that will directly support the Excellence Plan. Assure that management is provided with the vehicles to receive organizational feedback on barriers to performance and takes appropriate action.

SPONSORS: Steve Scace and Jere LaPlatney

INITIATIVES

1. Enhance Employee Productivity & Simplify Work Control

Standardize the Nuclear Group work processes to implement the Power-of-Five concepts and remove barriers to allow employees to achieve the Plan objectives. Simplify the key processes for performing work (e.g., work control, FME, tagging, commitment management, events analysis, minor modifications and maintenance). Include proven concepts used at other successful utilities.

Bill Nevelos, Action Plan Manager-Phase 1

2. Align Human Resources

Align Human Resources support to meet the strategic goals, strategies and initiatives of the Plan and to support the Power-of-Five concept. Develop new strategies and approaches for a comprehensive reward and incentive process coupled with the strategic goals and key performance indicators contained in the Plan. This initiative will encompass NPIP, PRP and other existing incentive programs. In addition, develop comprehensive hiring, succession planning, compensation and management development schemes that support the Plan. Align HR and Nuclear Group customer-supplier agreements with Excellence Plan objectives.

Bob Romer, Action Plan Manager-Phase 2

Introduction to The Nuclear Excellence Plan
July 2, 1996

WHY SHOULD I CARE ABOUT THE NUCLEAR EXCELLENCE PLAN?

... likely questions answered by Ted Feigenbaum

A Message from Ted:

"If someone handed me a copy of the Nuclear Excellence Plan and told me to read it, understand it, and become committed to it -- I'd have some tough questions to ask. That questioning attitude is healthy for our future success, and it's a quality that we want to encourage in NU Nuclear. Because the Nuclear Excellence Plan is so important to our future success, I've decided to go ahead and tackle some of the questions I know you'll have about our new Plan. I encourage you to talk to your supervisor about any additional questions you have. Only by working together as a team, by listening to one another, and by taking decisive action will we achieve the nuclear excellence that is essential for our future success."

Q: What is this plan all about?

A: The Nuclear Excellence Plan is about our successful future. With a Plan that works we can turn things around and once again become an industry leader. With a Plan that works we can continue to improve and demonstrate sustained results over the long term. And with a Plan that works we can focus our attention on the critical issues of trust, interpersonal skills, listening, and all the other cultural issues that are as important as our hardware, engineering and maintenance concerns.

Our Plan must reflect a shared commitment to action by everyone in the Nuclear Group. The Plan may be a document in writing, but it will be the steps we take to translate the words into actions that really count in the long term.

**Q: Why is this thing stamped “For Employee Review and Comment”
Is it a finished Plan, or not?**

A: We want your review, comments and input on this Plan, and that’s why it’s stamped “For Employee Review and Comment.” We’re not rolling out a finished Plan, we’re introducing a working draft Plan for comment so that, working together, we can make it better. In the near future, you’ll be invited to meetings by your first-line supervisors so you can discuss the Plan with your co-workers, and voice your reactions, comments and suggestions. Our pledge is to carefully review every comment we receive on the Plan, and get back to you with a response if you take the time to make a suggestion. I can’t stress this point strongly enough. The working draft Plan was created by a smaller group to give us all something to react to ... now it’s time for all of us to take a look and decide how the Plan can be improved.

Q: Why do we need another Plan?

A: One good reason is that managers and employees alike have voiced the belief that we need one roadmap for success that is coordinated, comprehensive and unified for a long-term approach to successful operations. We’ve all heard the old expression: “If you don’t know where you’re going, any Plan will take you there.” By spelling out clearly where we’re going, we can take specific actions to accomplish our goals. Our future is too important to leave this process to chance.

Q: Plans in the past have failed; what makes this plan any different?

A: I’m as disappointed as you are about plans we’ve had in the past that have fallen short of expectations. We’ve learned from our mistakes and this Plan is different in many ways. First, it’s not a “quick fix” for a problem we’ve encountered. This Plan will remain in place as our framework for achieving nuclear excellence. The action items in the Plan will change over time, but the Nuclear Excellence Plan will remain in place as a solid foundation for our efforts into the future.

Second, this is not my plan, not the officer's or manager's plan -- this is our Plan. That's the principal reason why this is still a draft document. It would have been easy for management to create a plan and force it down the organization, but that would also have been absolutely the worst thing to do. Third, we've tried to recognize that the best plans are documents that everyone can understand. Plans need to be understandable, clear and concise and that's what the kind of plan we're committed to producing for NU Nuclear. You'll want to know your role in the achieving Plan objectives, and how you'll be helping to turn NU Nuclear back in the right direction. Fourth, the Nuclear Excellence is all about actions that produce results. This is not a plan where we assume that by checking off tasks, we're achieving results. This Plan holds people accountable for results, the kind of results that will be necessary to regain regulatory confidence and lead us to success in the future.

Q: How will we make sure this Plan is not introduced with great fanfare, and then forgotten?

A: As I said, I expect that this Plan will remain our fundamental strategic guideline as we fully recover and address the serious issues we face. Employees will be involved in keeping the Plan updated on an ongoing basis. And we certainly don't intend to stop encouraging suggestion for improvement once the Plan is in place. On a regular basis, we will keep all employees up-to-date about our actions and accomplishments related to Plan objectives. In short, if we let this Plan sit on a shelf gathering dust, then we've failed ourselves, each other, the rest of Northeast Utilities, and we would also be letting down all the people who depend on the critical supply of electricity that our nuclear units produce for the region. I believe we all know what's at stake here, and that we're all committed to doing what we can to plot our future success. We need to be using the Excellence Plan like a telephone book -- referring to it often.

Q: Why do plans always have to be “rolled out” to the organization by senior management?

A: They don't. And we are going to introduce the Excellence Plan to the Nuclear Group in a new way. Because we know that we have a problem with trust in our organization, we recognize that we need to take extra measures to ensure that our new Excellence Plan isn't the product of any one particular group or level of management. It's time senior management realized that the people working on the front line every day have a great deal to offer when we're talking about improving our performance and achieving nuclear excellence.

So, we've asked our first-line supervisors to take the lead in introducing the Excellence Plan. They will take the suggestions and comments from their people and meet with other supervisors to improve the Excellence Plan. And any comments or suggestions you make in the process will be acknowledged, and you'll hear back about what's been done with your ideas. Remember, this isn't management's plan, it's our Plan.

Q: OK, sounds good ... but what if I don't want to go through my supervisor with suggestions to improve the Excellence Plan?

A: We recognize that there may be a situation or circumstance when you may want to provide comment or suggestion outside your traditional chain-of-command. That's fine. In fact, we've included several pages at the back of the draft Plan that you can use to let your views be known. Bill Carr at Millstone will be the central point of contact for your suggestions, and you can feel free to send along anonymous suggestions if you feel more comfortable with that approach. We're also establishing a VoiceMail hotline at each site to encourage employees to voice their concerns, suggestions or comments even if they don't want to take the time to write them down. Watch for these numbers in upcoming editions of your Unit newsletter. Let me be absolutely clear, I'm not suggesting that employees bypass their supervisors with comments on the Plan. What I am saying is that we don't want any good ideas to be missed because individuals feel uncomfortable bringing them up in their regular working group environment. We're serious about taking your suggestions, and we're trying to be creative in making it easier for you to provide frank comments.

Q: Can I really say what's on my mind about this new Plan?

A: Yes. Unless we can be totally honest and open with one another, we will not be living our core values or the spirit of our Excellence Plan. Just one suggestion I'd make ... it's always easier to tear something down, than it is to build something better in its place. When you comment about something you don't like, how about focusing on the way you'd like to see it be better? One of the best ways to disagree in a professional manner is to suggest alternatives that can be honestly assessed and discussed. That keeps the debate on the issues, not on the personalities.

Q: I know what I need to do ... why do I need some plan to tell me?

A: During the past five months, I have visited all three of our nuclear sites and talked to many employees. The visits have reinforced my belief that we have a highly skilled and dedicated workforce -- people who know how to get a job done right. Our new Excellence Plan doesn't change this. In fact, the Plan is built on the basic premise that we know how to get work done. What we need is a way to make sure that we're all focusing on the priorities we have set to achieve nuclear excellence. The Plan isn't designed to tell people what they already know. It is designed to make sure that everyone knows what we're all about, what we're striving to achieve as a Nuclear Group, and how every single one of us plays an important role in our future success.

Q: We've talked a lot about accountability and ownership these past few months, will management be held accountable in the Excellence Plan?

A: Absolutely. Management must be held accountable before anyone else for the achievement of sustained results and excellence. You'll notice that the Plan's actions are to be measured on a regular basis using clearly defined Key Performance Indicators (what we're calling "KPIs"). It is our intent to constantly monitor these KPIs and hold our management team accountable for achieving them.

Q: What happens to our Operational Excellence Objectives and the other information on the "yellow card?"

A: Our OEOs are a fundamental part of the Excellence Plan. In fact, the twenty-one Action Plans that make up the draft Excellence Plan are all grouped under an appropriate OEO. Our Operational Excellence Objectives have served us well in setting priorities for the Nuclear Group, and we decided to keep them as an integral part of our planning for the future.

Q: Isn't the Excellence Plan just a repackaged version of PEP?

A: This is a logical question with a simple answer -- NO! PEP focused on solving technical problems with technical solutions. One of the key things that's different about the Excellence Plan is that it's founded on the principle that organizational excellence begins with enhancing individual excellence. It's the people who make the difference in any successful organization, and our new Plan recognizes and encourages those contributions. That's why we're introducing our Excellence Plan, and preparing to incorporate employee comments and suggestions. That's why our Action Plans include a cultural component designed to remind us all that people are responsible for carrying out actions successfully. PEP contributed some good things to our organization, but we've learned from our mistakes with PEP. We know that to be successful, our Excellence Plan must be focused on the long-term. It must have the review and input we're planning from throughout the organization, and our Excellence Plan must have management's 100 percent commitment. These are my expectations and why I believe that we will be successful with our Excellence Plan when other efforts have not lived up to our expectations.

Q: Why should employees trust management?

A: Another tough but fair question ... I believe that the key to increasing trust in our entire organization lies in two key areas. First is listening. Nuclear managers have come to grips with the fact that we haven't done as good a job listening to our people as we should have over the years. This has been a major contributor to our Employee Concerns problem at Millstone and being placed on the Watch List by the NRC.

You've heard me say before that we are going to change this, and that I will insist that every member of my management team be committed to listening to what people have to say about any aspect of our operation, and taking the required corrective action. The second key area in restoring trust is results. If I were in your shoes, I'd want to see evidence that things are actually changing before I believed the words I heard about restoring trust in the organization. I believe that's a perfectly logical expectation on your part.

When we take the actions in the Excellence Plan, and we start to see the results we set out to achieve, then I'm confident that we'll also start to see an increased trust in the Nuclear Group. It will not happen overnight, but when we are listening to each other at all levels of the organization, and we are seeing positive results from our hard work, then the trust we need to share as a team will become a reality.

Q: We've heard a lot of messages from management over the past few years about change, but nothing's really different. Why not show us some action, not give us more words?

A: The Nuclear Excellence Plan is about action. Sure, the Plan is a written document, but when you read what it's all about, you'll see that our success in the future will depend on the actions we take in our Plan. I know that many people feel that it's time to "get on with it." I share your desire and your sense of urgency. Action that will produce sustained positive results is our goal throughout the Excellence Plan. Words that sound good on paper won't help us thrive in the future. Actions that demonstrate we know what we're doing to achieve results are key to our success.

Q: What if the Nuclear Excellence Plan fails?

A: I refuse to accept that we can fail in this effort, because failure means we haven't been smart enough, committed enough, or creative enough to figure out how to succeed. I know from working in nuclear for many years that when it's "crunch time" for the operations of one of our Units, this organization finds some way to get the job done. Well, it's crunch time for the entire Nuclear Group right now, and I believe that we will pull together, give the Excellence Plan the chance to succeed, hold each other accountable for living our Core Values, expect and demand sustained results, and keep looking to routinely do the things that will get us closer to Nuclear Excellence every single day.

ATTACHMENT

3