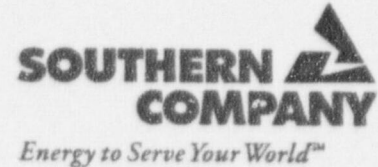


Dave Morey
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September 3, 1998



Docket Nos. 50-348
50-364

10 CFR 50.4

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

Joseph M. Farley Nuclear Plant
Concerns Program

Ladies and Gentlemen:

As requested by your transmittal dated July 13, 1998, this letter provides information on the subject of the Farley Nuclear Plant (FNP) Concerns Program. Your letter states the following:

The Nuclear Regulatory Commission (NRC) recently obtained information regarding the effectiveness of the Employee Concerns Program (ECP) at the Farley Nuclear Plant. In particular, the information indicates that some employees feel reluctant to raise safety concerns to the ECP due to the fact that the concerns are provided to the Plant Manager. Although the information suggests that employees feel comfortable raising issues to their immediate supervision, they are not comfortable raising issues to senior plant management for fear of retaliation.

The policy of the Southern Nuclear Operating Company (SNC) is to encourage the employees and contractors of SNC to communicate concerns to their supervisors at any time without fear of penalty or retaliation. If their supervisor is unable to resolve their concern or if they feel uncomfortable discussing the issue with their supervisor, they are encouraged to communicate their concern to senior plant management or through the Concerns Program.

SNC diligently promotes a safety conscious work environment where employees are encouraged to raise concerns. FNP policy requires that concerns must be promptly reviewed, given the proper priority based on their potential safety significance, and appropriately resolved with timely feedback to employees. The Concerns Program is very important and makes a valuable contribution toward achieving a safety-conscious work environment. SNC is committed to implementing this program as effectively as possible. The following is a discussion of the concerns raised by the NRC and the action SNC is taking in response.

The Concerns Program is discussed with employees of SNC during their annual radiation worker and security retraining. Employees are given a letter stating the Plant Manager's support for the Concerns Program and a brochure which describes confidentiality, retaliation, the process by

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which concerns can be submitted, the involvement of the Plant Manager in resolving concerns, and the involvement of the Chief Executive Officer of Southern Nuclear. The process is explained in detail, and employees are reminded that they may submit concerns to the Corporate Concerns Program Administrator if they do not feel comfortable submitting it to the Plant Concerns Program Coordinator. Employees are also shown a video which describes the Concerns Program. This video discusses the reporting of concerns both at FNP and at Corporate, involvement of the Plant Manager in resolving concerns, and the SNC policy on retaliation.

SNC encourages employees to raise concerns by contacting their immediate supervision, their next higher level of management, the Concerns Program, or the NRC. Employees are made aware that they should feel free to report safety concerns without fear of retaliation from their supervision or management. In April 1998, letters were sent to Farley plant and corporate personnel reiterating the SNC position on reporting concerns and retaliation. These letters were issued by the Plant Manager or Vice President as appropriate. Information regarding the reporting of concerns and the SNC position on retaliation is posted on information boards in various locations at FNP and in the following documents.

- SNC Corporate Policy 701 - Concerns Program
- SNC Corporate Guideline 720-011 - Concerns Program
- SNC "Your Guide to Benefits" - Employee Concerns Program
- FNP Operational Quality Assurance/General Orientation G-403/405 Participant Text (HO-01)
- FNP Outage Information Booklet

This program information is applicable to SNC employees and contractors at FNP and Corporate.

SNC believes it is necessary for the Plant Manager to be involved in the Concerns Program to ensure the root cause of a problem has been identified and appropriate corrective actions have been put into place. The Plant Manager is not informed as to who reported the concern. Concerns Program administrators at several nuclear plants were contacted, and even though their formal process may be different from the SNC process, the plant managers approve all changes or actions to be implemented at these plants.

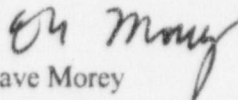
SNC has not found any evidence that senior plant management has retaliated against employees for raising concerns. In addition, our Concerns Coordinator has not had anyone express concern over retaliation. Also, the Concerns Coordinator has not had anyone question or express concern over Plant Manager involvement in resolving concerns.

The Concerns Coordinator will continue to emphasize to employees at FNP that: all concerns are reviewed with the Plant Manager; during the review access only the issue is discussed; and the submitter's name is kept confidential when requested by the submitter. FNP management will also ensure FNP employees are aware that they may submit concerns through the Corporate Concerns Program if they do not wish to use the FNP Concerns Program. The Plant Manager will re-emphasize with the managers at FNP the importance of having a safety-conscious work environment where employees feel free to raise concerns without fear of retaliation.

SNC has been sensitive to the perception of employees to plant management in general and has monitored this through Vision Progress Surveys, management discussions with employees, and labor-management meetings. SNC has been working with and will continue to work with plant employees to improve their perceptions of plant management.

If there are any questions concerning this response, please advise.

Respectfully submitted,
SOUTHERN NUCLEAR OPERATING COMPANY


Dave Morey

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cc: Mr. L. A. Reyes, Region II Administrator
Mr. J. I. Zimmerman, NRR Project Manager
Mr. T. P. Johnson, Sr. Resident Inspector