

South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

November 2, 1998  
ST-NOC-AE-0347  
File No.: G25  
10CFR50

Mr. Ellis W. Merschoff  
Regional Administrator, Region IV  
U.S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 400  
Arlington, Texas 76011-8064

South Texas Project  
Units 1 and 2  
Docket Nos. STN 50-498, 50-499  
South Texas Project Comprehensive Cultural Assessment

- References:
1. Letter from W.T. Cottle to Ellis W. Merschoff dated September 15, 1998 (NOC-AE-000300)
  2. Letter from W.T. Cottle to Ellis W. Merschoff dated March 12, 1998 (NOC-AE-000110)

Dear Mr. Merschoff:

In my letter of September 15, 1998, I stated that the action plan necessary to address issues arising from the September 8, 1998, Comprehensive Cultural Assessment of South Texas Project (STP), would be provided to the Nuclear Regulatory Commission as required by the Confirmatory Order of June 9, 1998. Our action plan has been developed and is provided for your review.

The composite results place the STP Nuclear Safety Culture (NSC) at the top of the nuclear industry plants surveyed by SYNERGY. However, the Comprehensive Cultural Assessment (CCA) did provide valuable insights into areas where the station can direct its improvement efforts. Based on these insights, we are focusing on three major areas for improvement:

- Communicating site-wide that Nuclear Safety has been and continues to be our number one priority,
- Enhancing the station's understanding of the Employee Concerns Program and its purpose, and

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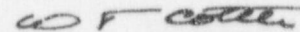
- Addressing issues identified with respect to Priority 1 and 2 business units as listed in Table IV.10 of the executive summary of the Comprehensive Cultural Assessment, "Priorities for Organizational Validation, Intervention or Remediation".

The actions associated with the above are indicated in Attachment 1. Also attached for your review is a status of issues in the Confirmatory Order.

In addition to the actions specified in Attachment 1, we also identified other organizational opportunities in the General Culture and Work Environment dimension as well as the Leadership, Management, and Supervision cultural dimensions to improve our overall performance and insure continued positive performance in the Nuclear Safety Culture. These opportunities will be addressed as part of our overall organizational development programs.

We are requesting a management meeting with the Nuclear Regulatory Commission, Region IV to discuss the insights provided by the CCA report and our action plan. A date for the meeting will be arranged with your staff.

If you have any questions please contact me at 512-972-8434 or Mark McBurnett at 512-972-7206.



W.T. Cottle  
President and  
Chief Executive Officer

PLA/

Attachments: Attachment 1 Action Plan to Address Findings from the Comprehensive Cultural Assessment  
Attachment 2 Status of Confirmatory Order License Conditions

c:

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Attachment 1  
Action Plan to Address Findings  
From the Comprehensive Cultural Assessment

This plan will address Nuclear Safety Culture issues for Priority 1 and 2 business units as listed in Table IV.10 "Priorities for Organizational Validation, Intervention or Remediation" (page 21).

- Action 1      We are conducting ongoing "Safety First" Chief Executive Officer meetings. These meetings continuously stress the importance of Nuclear Safety over factors such as scheduling, costs, etc. and includes general communication and dialog with the Chief Executive Officer.
- Action 2      STP's Employee Concerns Program Director will reinstate meetings (tailgate sessions) with various organizations to assure understanding of the Employee Concerns Program and its purpose, and to obtain feedback for future program improvements.
- Action 3      By December 17, 1998, affected departments will conduct employee feedback sessions to gain further clarification of the employees' perceptions and attitudes where the assessment results indicated additional intervention is applicable. The feedback sessions will provide a clearer understanding of the issues. This information will be evaluated along with the results of our most recent Leadership Assessment Tool (LAT) for further clarification and validation.
- Action 4      By March 31, 1999, each department will develop specific task plans to address the issues identified in the feedback sessions. These task plans will list specific actions, individuals responsible and completion dates.
- Action 5      By September 30, 1999, an assessment of the progress with regards to the specific task plans will be performed.
- Action 6      By December 9, 1999, an appropriate validation process of each effort will be conducted, including mini-surveys as deemed appropriate.

Attachment 2  
Status of  
Confirmatory Order License Conditions

1. Beginning in 1998, the STP Nuclear Operating Company will integrate into its overall program for enhancing the work environment and safety culture at the facility a "Comprehensive Cultural Assessment" as described in Attachment D to the Licensee's March 12, 1998, submission, to be performed by an independent contractor. The Cultural Assessment will include both a written survey of employees (including supervision and management) and baseline contractors, and confidential interviews of selected individuals. The first assessment is scheduled for the second quarter of 1998 and will be performed at least three more times at intervals of 18 to 24 months. Annual "mini" surveys will be conducted and shall include, but not be limited to, annual surveys through at least the year 2002. Before conducting each "mini" survey, the Licensee will identify to the NRC Regional Administrator the departments and divisions to be surveyed. The Licensee will submit to the NRC for review all Cultural Assessment results, including all intermediate "mini" surveys. Within 60 days of receipt of the survey results, the Licensee will provide to the NRC Regional Administrator any plans necessary to address issues raised by the survey results.

**Status:** A Comprehensive Cultural Assessment was completed by June 30, 1998.

2. The STP Nuclear Operating Company will conduct annual ratings of supervisors and managers by employees via the "Leadership Assessment Tool", as described in Attachment D to the Licensee's March 12, 1998, submission, through at least the year 2002.

**Status:** A Leadership Assessment Tool (LAT) survey as outlined in Attachment D to our letter of March 12, 1998, is complete and the results are being compiled at this time. The results will be available by November 1, 1998.

3. The STP Nuclear Operating Company will conduct a mandatory continuing training program for all supervisors and managers. This program will include:
  - (a) Scheduled training on building positive relationships, as outlined in Attachment D to the Licensee's March 12, 1998, submission. The training program will have the objective of reinforcing the importance of maintaining a safety-conscious work environment and assisting managers and supervisors in dealing with conflicts in the work place in the context of a safety-conscious work environment. The training program also will include a course entitled "Safely Speaking" as described in Attachment D to the Licensee's March 12, 1998, submission; and
  - (b) Annual training on the requirements of 10CFR50.7, through at least the year 2002, including, but not limited to, what constitutes protected activity and what constitutes discrimination, and appropriate responses to the raising of safety concerns by employees. Such training shall stress the freedom of employees in the nuclear industry to raise safety concerns without fear of retaliation by their supervisors or managers.

**Status:**

- (a) This program included training on building positive relationships, the importance of maintaining a safety-conscious work environment, and a course entitled "Safely Speaking" as outlined in Attachment D to our letter of March 12, 1998. This was completed in June 1998.
  - (b) These topics were covered for 1998 in the "Safely Speaking" course discussed earlier. Subsequent annual 10CFR50.7 training is being developed. "Safely Speaking" classes will be continued for new supervisors and managers and selected contractor personnel.
4. The licensee shall issue a site-wide publication to inform its employees and contractor employees of this Confirmatory Order as well as their rights to raise safety concerns to the NRC and their management without fear of retaliation.

**Status:** Site-wide publications were issued both through STP's e-mail system and *STP On-Line Special Bulletin*, a hardcopy publication, to all employees on site. The Confirmatory Order was also placed on the site's electronic bulletin board, in a site-accessible database for letters, and on bulletin boards across site.