



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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ARLINGTON, TEXAS 76011-4005

June 10, 2003

James J. Sheppard, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483

SUBJECT: SUMMARY OF MEETING TO DISCUSS THE SOUTH TEXAS PROJECT
COMPREHENSIVE CULTURAL ASSESSMENT

Dear Mr. Sheppard:

This refers to the public meeting conducted at the NRC Region IV office on June 3, 2003, between your staff and the NRC. The participants discussed the results of the 2003 comprehensive cultural assessment at the South Texas Project and your plans for continuing to monitor and manage the safety culture to provide a safety conscious work environment. Your staff presented the status of your implementation of the process and provided useful insight into the process that you plan to continue.

The attendance list is enclosed with this summary (Enclosure 1). A copy of the presentation slides is also enclosed (Enclosure 2).

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Should you have any questions concerning this matter, we will be pleased to discuss them with you.

Sincerely,

William D. Johnson, Chief
Project Branch A
Division of Reactor Projects

Dockets: 50-498
50-499
Licenses: NPF-76
NPF-80

Enclosures:

1. Attendance List
2. Licensee Presentation

cc w/enclosures:

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Staff Chief, DRP/TSS (PHH)
RITS Coordinator (NBH)
Mel Fields (MBF1)
STP Site Secretary (LAR)

ADAMS: ☒ Yes ☐ No Initials: WDJ
☒ Publicly Available ☐ Non-Publicly Available ☐ Sensitive ☒ Non-Sensitive

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RIV:PE:DRP/A	C:DRP/A			
JM Keeton;df	WDJohnson			
<i>JMK</i>				
06/10/03	6/10/03			

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ENCLOSURE 1

STP Cultural Assessment Meeting

01/22/03 1-3 p.m.

NAME	TITLE	ORGANIZATION
W. D. Johnson	Branch Chief	NRC/RIV/DRP/PBA
Tim Hoeg	Senior Resident Inspector	NRC/RIV/DRP/PBA
Anthony Gody	Branch Chief	NRC/RIV/DRS/OPS
Pat Gwynn	Acting Regional Admin.	NRC/RIV
Gary Sanborn	Director, ACES	NRC/RIV
Russell Wise	Senior Allegations Coord.	NRC/RIV
Karla Smith	Regional Counsel	NRC/RIV
Joe Sheppard	President and CEO	STPNOC
Scott Head	Manager Licensing	STPNOC
Mike Meier	Gen. Mgr., Station Support	STPNOC
Gary Parkey	VP, Generation	STPNOC
Terry Parks	Chief Boiler Inspector	TX Dept. of Lic. & Reg.

ENCLOSURE 2

Comprehensive Cultural Assessment Results and Future Plans



STP Nuclear Operating Company

Comprehensive Cultural Assessment Results and Future Plans

June 3, 2003

STPNOC Attendees:

- Joe Sheppard - President & CEO
- Gary Parkey - Vice President, Generation
- Mike Meier - General Manager, Station Support
- Scott Head - Manager, Licensing

Meeting Agenda

- **Desired Outcomes** - *Joe Sheppard*
- **Background** - *Joe Sheppard*
- **Order Requirements** - *Gary Parkey*
- **Historical Results**
 - CCA - *Gary Parkey*
 - LAT - *Mike Meier*
 - ECP - *Mike Meier*
- **2003 Cultural Assessment Results** - *Gary Parkey*
- **Action Plans & Strategies**
 - Maintenance - *Gary Parkey*
 - Plant Protection - *Mike Meier*
 - General Strategies - *Joe Sheppard*
- **Perspective & Summary** - *Joe Sheppard*

Meeting Desired Outcomes

- Demonstrate compliance with the Confirmatory Order
- Present 2003 Results
- Discuss STP's continuing commitment to manage our culture and to provide a positive Safety Conscious Work Environment

Background

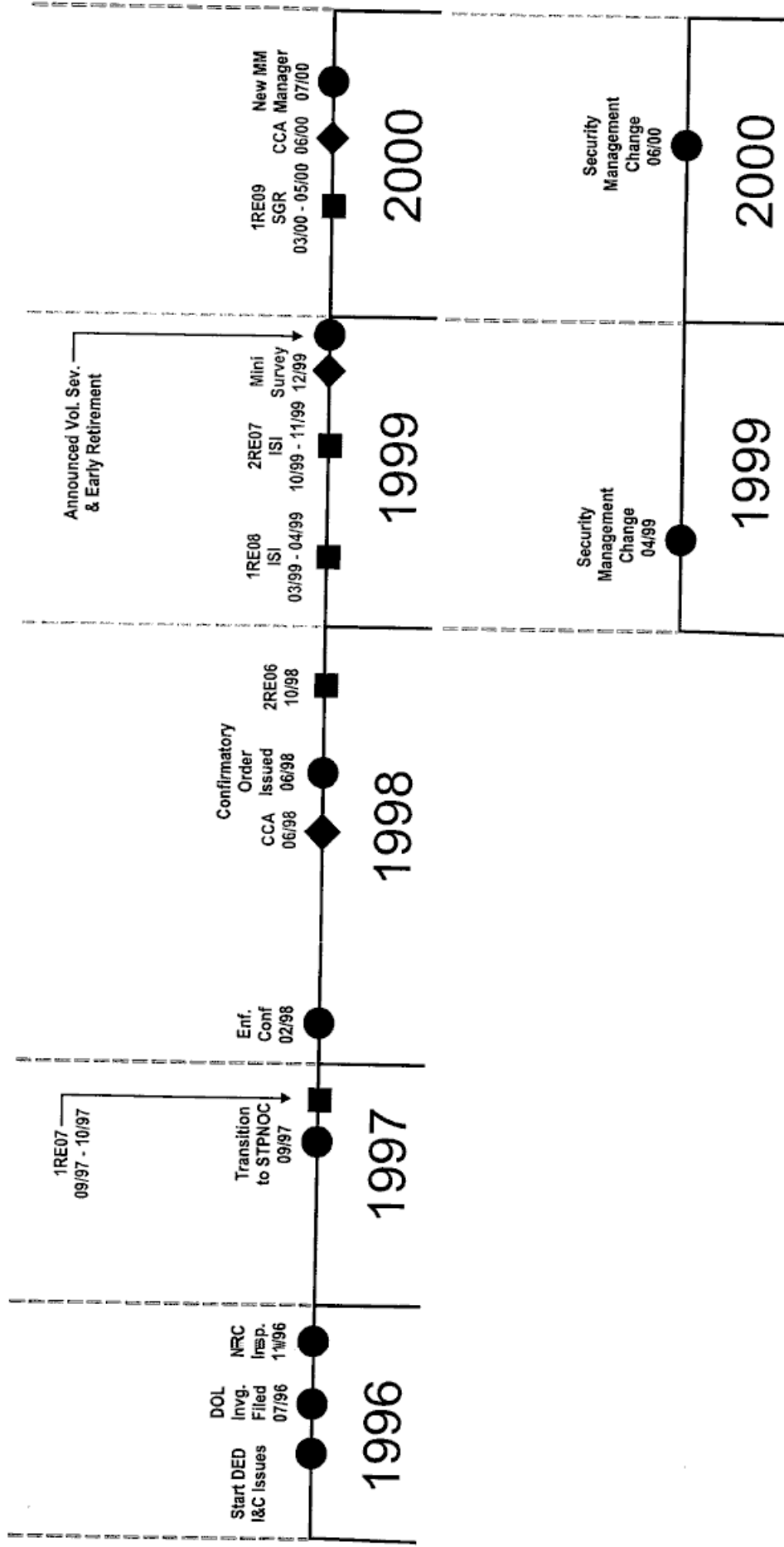
- Cultural surveys were first administered in 1993 by Behavioral Consultant Services (BCS) and continued through 1997.
- In June 1998 SYNERGY Consulting Services conducted the first Comprehensive Cultural Assessment (CCA).
- SYNERGY was selected to obtain an independent re-baseline of nuclear safety and general culture at STP.
- STP made ongoing commitments, including the conduct of periodic cultural surveys, as a result of concerns identified in the Design Engineering (Electrical/I&C) Division.

1998 Order Requirements & Status

- Perform CCA/Mini-surveys (18 – 24 months) and report the results - **Complete**
- Develop and implement action plans as a result of surveys - **Complete**
- Annual Ratings of Supervisors and Managers (Leadership Assessment Tool) - **Complete**
- Annual Training of Supervisors and Managers (10CFR50.7, Safety Conscious Work Environment) - **Complete**
- Site-Wide Publications on Order and Rights to Raise Safety Concerns - **Complete**

** Although these items are shown as complete, STP intends to continue these efforts in some manner in the future*

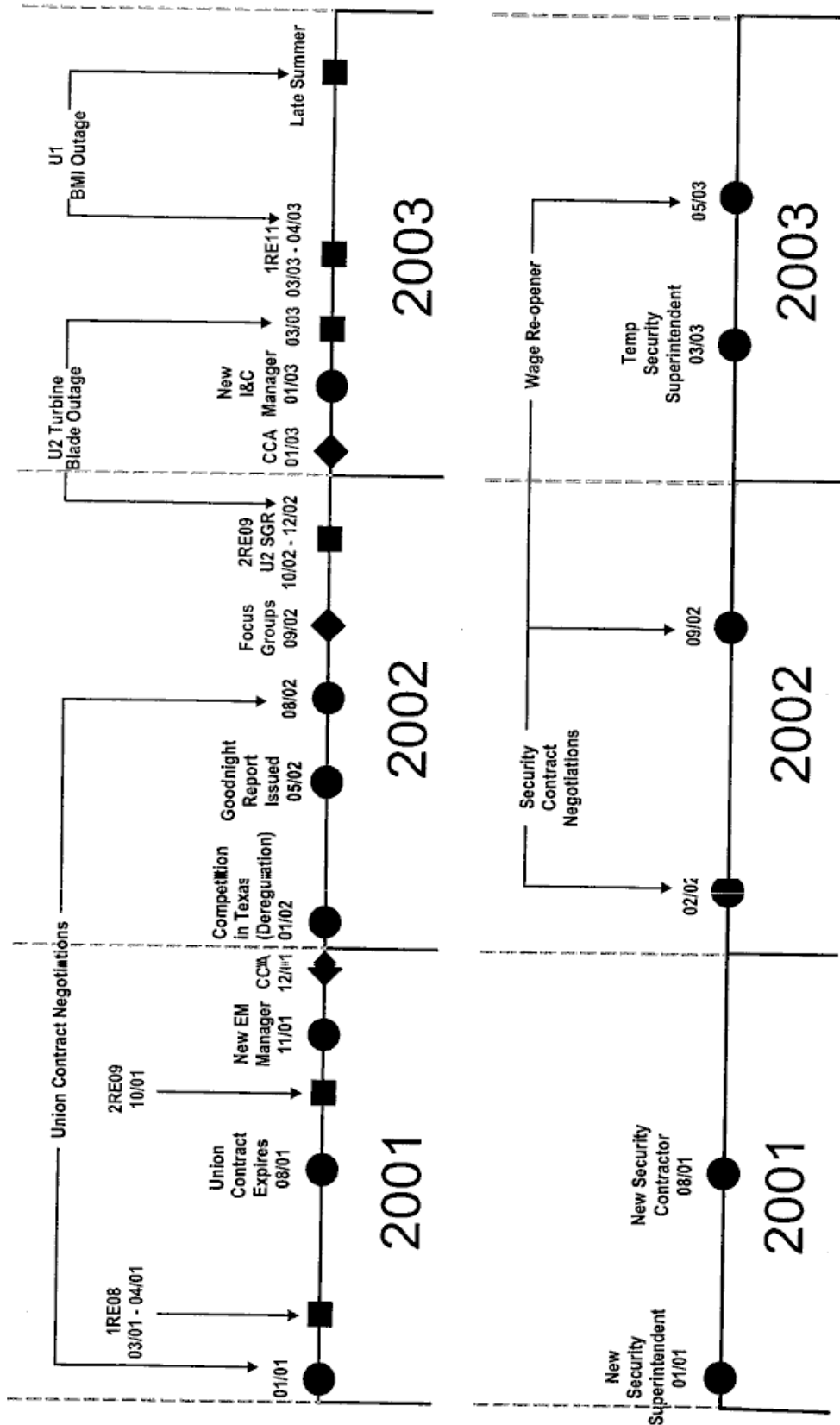
STP TIMELINE



LEGEND

- COMPLETED
- ◆ SURVEYS
- OUTAGES

STP TIMELINE



LEGEND

● COMPLETED ◆ SURVEYS ■ OUTAGES

Historical Results

CCAs Utilized to Measure Overall Culture

June 1998 CCA Results

- Nuclear Safety Culture rated at the top in the nuclear industry.
- The General Culture & Work Environment ranged from acceptable to good.
- The 1998 results identified six "Relative" Priority 1 Organizations

Note: Organizations identified as "Relative" Priority are rated due to their lower scores as compared with other organizations at STP. Organizations identified as "Absolute" Priority are rated due to their lower scores as compared with other organizations in the nuclear industry.

Historical Results

June 1998 CCA Results (cont.)

Relative Priority 1 Organizations:

- 1) Health Physics
- 2) Plant Protection
- 3) Design Engineering (Electrical/I&C)
- 4) Unit 2 Electrical Maintenance
- 5) Reliability Engineering
- 6) Technical Support Engineering

Action Plans were developed for all Priority 1 Organizations

Historical Results

December 1999 Mini-Survey Results

- The overall Nuclear Safety Culture was determined to be strong with steady to improving trends
- Five of the six Priority 1 Organizations showed improvement
 - Design Engineering (Electrical/I&C) showed the most improvement
 - The Safety Conscious Work Environment was rated as very good to excellent in the five organizations
 - Confidence in the Employee Concerns Program was rated as good to very good in the five organizations
- Plant Protection did not show improvement

Historical Results

June 2000 CCA Results

- The organizational culture at STP was found to be healthy and improving.
- Nuclear Safety Culture, Safety Conscious Work Environment, General Culture & Work Environment, and Leadership, Management, & Supervisory skills all ranked at the top of nuclear facilities.
- Ninety-nine percent of respondents indicated that they would inform their supervisor or write a CR if they had a Nuclear Safety Concern.
- Identified two Absolute Priority 1 Organizations:
 - 1) Plant Protection
 - 2) I&C Maintenance
- Action Plans were developed for both Priority 1 Organizations

Historical Results

December 2001 CCA Results

- STP maintains a strong Nuclear Safety Culture and Safety Conscious Work Environment
- General Culture & Work Environment and Leadership, Management, & Supervisory practices are among the top in the industry
- Ninety-nine percent of respondents indicated that they would inform their supervisor or write a CR if they had a Nuclear Safety Concern
- Plant Protection and I&C Maintenance scores improved significantly to within Industry norms

Historical Results

December 2001 CCA Results (cont.)

- The results identified no Absolute Priority Organizations
- Five Relative Priority 1 Organizations identified:
 - I&C Maintenance
 - Electrical Maintenance
 - Mechanical Maintenance
 - Support Services
 - Plant Protection
- Demographic variations noted for hourly/union personnel, contractors and plant staff

Historical Results

September 2002 Focus Group Results

Focused Cultural Assessment for Maintenance and Security Organizations conducted by Management Insights Technologies

- Results indicated a high level of job satisfaction in the five organizations targeted due to relative rankings in 2001
 - Job satisfaction - 93% reported satisfied or extremely satisfied
 - Strong work environment - 60% reported STP as the best or among the best
- Results showed a number of issues concerning the relationship between workers and management
 - Trust in management declining due to leadership practices and style
 - Change management impact - reasons for change

Historical Results

Leadership Assessment Tool Utilized to Measure Performance of Individual Supervisors and Managers

LAT Actions/Results

- The results of the LATs are consistent with CCA results
- Focus Areas for continued improvement:
 - Communication Style
 - Leadership Style
 - Recognition
 - Coaching
- Individual supervisors who scored below site expectations (score <3 out of 5)
 - Interventions
 - Required action plans
 - Developmental training
 - Feedback sessions
- 2002 Change in LAT process
 - Ratings included input from peers and superiors in addition to subordinates

Historical Results

LAT Actions/Results (cont.)

LAT Results	Overall Scores	Low Scores (< 3)	Remarks
1998	3.71	24	Individual supervisor action plans established and Leadership Development Consultant conducted confidential feedback sessions
1999	3.80	8	Site overall average scores increased for first time in 4 years
2000	3.91	5	Observed continued improvement. Aligned tool with Core Values.
2001	3.88	10	Implemented Situational Leadership refresher, Communication & Coaching self-study, Feedback sessions, Development plans, and Recognition Workshop continuing training
2002	3.81	4	Continued to recommend learning interventions on lowest site-wide items

Historical Results

10CFR50.7 Training Provided to Supervisors & Managers

Annual Training - Supervisors & Managers

- Annual Training of Supervisors & Managers on Protected Activities designed to promote:
 - Understanding of what constitutes a protected activity
 - Understanding of what constitutes discrimination
 - Appropriate responses to the raising of safety concerns
 - Freedom of employees to raise safety concerns without fear of retaliation
- **1998:** Initial "Safely Speaking" Training conducted by labor attorney
- **1999 - 2001:** 10CFR50.7 training included presentations by the Employee Concerns Manager, Senior Management, and STP Managers
- **2002:** Computer Based Training Module
- **2003:** Supervisory Skills Training

Historical Results

Employee Concerns Program (ECP)

- Restructuring in July 1999 (developed consistent investigation and confidentiality standards under one department)
- A satellite office was established in the Maintenance Operations Facility (MOF) in late 2001, for more direct access to personnel working in the protected area
- Improved relationship between ECP and MOF employees was noted in 2002 with an increase in contacts from targeted organizations (I&C and Mechanical Maintenance)
- Communication of program changes, case histories, program statistics positively received (bulletin board postings, email)
- Tailgate sessions (2002 focused on SGRP contractors, 2003 focusing on site organizations with Plant Protection being targeted for the 2nd quarter 2003)

Historical Results

Employee Concerns Program (cont.)

	Concerns	Rapid Resolutions	Total Contacts
2000	136	38*	174
2001	56	59	115
2002	72	64	136
2003	19**	16**	35**

* Tracking began in July 2000

** Tracking through April 2003

2003 Cultural Assessment Results

January 2003

- STP maintains a strong Nuclear Safety Culture and Safety Conscious Work Environment.
- Leadership, Management, & Supervisory practices are among the top in the industry.
- Individuals are willing to identify their organizational affiliation at a 98% rate, much higher than typically seen in the industry and a positive indication of STP's work environment.
- The environment at STP continues to be very good for identifying nuclear safety or quality issues where the survey found that 98.6 % would notify their supervisor or write a Condition Report (CR).

2003 Cultural Assessment Results (cont.)

- Three Priority Organizations were identified requiring continued improvement:
 - 1) Mechanical Maintenance
 - 2) I&C Maintenance
 - 3) Plant Protection
- There was only a 13 month period between surveys (December 2001 - January 2003). Sufficient time has not been afforded for the action plans for these organizations to achieve measurable results.

Action Plans & Strategies

Maintenance

- CULTURAL PERSPECTIVE
 - External environment - deregulation, contract negotiations
 - Employees are vocal and passionate - this is healthy
 - Important to find the right leadership team for each shop

Action Plans & Strategies (cont.)

Maintenance (cont.)

- OVERALL MAINTENANCE ACTIONS
 - Completed contract negotiations - 08/02
 - Formed Maintenance Improvement Team (MIT) - 04/02
 - Developed and trained on revised expectations (Conduct of Maintenance)
 - Conducted supervisor effectiveness seminars at INPO
 - Holding monthly and quarterly supervisor meetings
 - Completed personality type assessment and training for all supervisors
 - Providing personality type assessment and teamwork training for all personnel

Action Plans & Strategies (cont.)

Maintenance (cont.)

- ELECTRICAL
 - New manager selected in November 2001
 - Implemented overall maintenance actions above
 - Both relative and absolute scores have improved
- MECHANICAL
 - Rotated electrical manager to mechanical in July 2000
 - Implemented overall maintenance actions above
 - Results have been mixed
 - Additional actions planned for September 2003 (following BMI outage)

Action Plans & Strategies (cont.)

Maintenance (cont.)

- I&C
 - Promoted new manager from within - January 2003
 - Realigned crews and supervisors
 - Implemented overall maintenance actions above
 - Results have been positive - personal observations, feedback from employees, feedback from Management Insights
- CONCLUSION
 - General work environment in maintenance is improving
 - Action plan in place for continued improvement in I&C area
 - Action plan in place for focused improvement in Mechanical area

Action Plans & Strategies (cont.)

Plant Protection

- **Historical Perspective:**

Since 1998 progress has been made in improving the Security organization's work environment. Specific actions taken include, but have not been limited to the following:

- STP Security management transition in 2000.
- New Security contractor in 2001.
- Supervisory skills training provided to contract Security Supervisors.
- Incentives added to Security contract in 2002.
- Security Force feedback sessions provided to Security Officers.
- Team building sessions provided to Security Force personnel.

Action Plans & Strategies (cont.)

• Plant Protection (cont.)

- In 2001, the CCA scores improved significantly to within Industry norms.
- In 2003, the Security Department work environment was impacted due to:
 - Union negotiations with the contractor and security officers finalized in 2002 with a wage re-opener in 2003.
 - Sustained outage conditions (Unit 2 Steam Generator Replacement Outage followed by the Turbine Repair forced outage) caused increased work load.
 - Issues since September 11th have created significant change and uncertainty for the future.

Action Plans & Strategies (cont.)

- **Plant Protection (cont.)**
- Continuing efforts to improve the work environment
 - Supervisory Training - Security Contractor Supervision
 - Clear Delineation of Expectations
 - Maximize Involvement - Security Officers
 - Workload Management

Action Plans & Strategies (cont.)

General Ongoing Strategies

- Management by Walking Around - Defined Time, Everyday
- 2C's (Compliments and Concerns) Meetings
- Coffee with the President
- Core Values - focused on positive work environment
- Leadership Assessment Tool (LAT)
- Maintenance Improvement Team (MIT) - Strong focus on Leadership & Teamwork
- Shop Meetings - weekly
- Facilitative Leadership
- MARC process
- Periodic assessments of Culture - mini-surveys, interviews, etc.

Action Plans & Strategies (cont.)

Recent Cultural Pulse

Performed by Management Insight Technologies

Informal study - 72 site personnel interviewed to determine the current mood and perception of the work force (May 12 - May 15)

Conclusions:

- Personnel will report issues impacting Nuclear Safety and will pursue resolution of an issue through other means if not satisfied with how it is handled
- Personnel believe STP resolves Nuclear Safety issues in a thorough and timely manner
- Personnel indicated their work environment was open and receptive to input, feedback, and/or pushback
- Positive feedback on the ECP - most preferred alternate method of raising nuclear safety issues
- Positive trends in Maintenance work environment
- Continuing need to build better relationships in Plant Protection, but no reluctance to raise issues

Perspective & Summary

- We have met the requirements and intent of the Confirmatory Order and it can be closed.
- Managing and improving our work environment is key to our continuing success.
- STP has been and will continue to be committed to a positive culture and work environment.
- We will continue to manage the culture at STP. Our efforts will not stop with the Order closure.
- Overall our culture continues to improve.
- Our history over the past 5 years confirms our commitment.