



August 12, 2011  
LIC-11-0091

U. S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Washington, DC 20555-0001

Reference: Docket No. 50-285

**SUBJECT: Fort Calhoun Station Performance Improvement Initiative**

Fort Calhoun Station (FCS) has experienced a declining trend in station performance. To improve this trend, a Site Performance Improvement Initiative (SPII) was developed and implemented. The SPII is designed to improve alignment on core values, standards, accountability, safety culture, and leadership behaviors required to improve station performance. The SPII is staffed fulltime by a cross-section of high performing FCS personnel and consultants that will remain with the initiative until it is completed.

The attached SPII is a living document that provides the goals and target dates for completion of the initiative. For more information please contact me.

This letter contains no commitments.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey A. Reinhart", is written over the typed name and title.

Jeffrey A. Reinhart  
Site Vice President

JAR/rmc

Attachment

c: E. E. Collins Jr., NRC Regional Administrator, Region IV  
L. E. Wilkins, NRC Project Manager  
J. C. Kirkland, NRC Senior Resident Inspector

## **Fort Calhoun Site Performance Improvement Initiative 8/12/11**

### Site Performance Improvement Initiative (SPII)

*Background:* Fort Calhoun Station has experienced a performance decline, which led to the formation of the SPII. The role of the SPII, is to identify the underlying problems (leadership alignment, station culture & processes, etc.) that have resulted in performance below our expectations, or a decline in performance.

*Goal:*

Achieve fundamental and lasting improvement of Fort Calhoun Station performance

### SPII Overview

- Based on INPO "Template for Significantly Improving Nuclear Plant Performance"
- Completed a detailed analysis of recent station performance including RCAs of external flooding and M-2 Contactor failure, INPO Organizational Effectiveness survey results, and streaming analysis of our most recent INPO evaluation.
- Dedicated team of seven people to focus the organization on performance improvement and facilitate improvement by line organization
- Progress to be reported during monthly Management Review Meetings
- Metrics are being developed with assistance from industry KPI peers

*Key elements:*

- Analysis of current performance gaps and identification of most urgent areas to address
- Assess and improve individual leader performance and vertically align the leadership team
- Identify and correct the underlying cultural weaknesses leading to performance problems
- Significantly upgrade the effectiveness of station Performance Improvement programs
- Improve our technical conscience
- Identify how key station processes should be changed to improve overall effectiveness and efficiency
- Heavy industry involvement will ensure we are implementing the best practices available

Leader Assessment and Alignment - The outcome will help FCS improve vertical alignment on core values, standards, accountability and leadership behaviors

*Leadership Assessment utilizing an industry recognized expert:*

- Individual leader behavioral assessments at all leadership levels **(11/30/11)**
  - Targeted, actionable feedback
  - Real-time coaching
  - Departmental analyses and summaries
  - Recommendations for organizational interventions
  - Individual development plans for each leader

Identify and Correct Underlying Cultural Weaknesses - Certain aspects of our culture have hindered our ability to sustain and improve our performance without outside intervention.

*Inputs (Identifying):*

- Root and contributing causes of External Flooding and RPS M-2 Contactor issues **(complete)**
- Streaming analysis of 2011 INPO evaluation **(complete)**
- Analysis of INPO OR surveys 2009-2011 **(complete)**
- Facilitate management session to identify additional cultural gaps **(8/19/11)**

*Actions (Correcting):*

- Conduct all hands briefings on "Safe as Is" Mindset **(complete)**
- Implement Safety Culture Advocate **(complete)**
- Revise applicable Observation scorecards **(complete)**
- Conduct safety culture training **(complete)**
- Revise "Foundations" (expected behaviors) to address cultural shortfalls **(9/1/11)**
- Conduct training on revised Foundations **(12/31/11)**
- Implement NEI 09-07 Safety Culture Advocate **(10/1/11)**
- Conduct recurring training in accordance with INPO SOER 10-02

Correct Underlying Cultural Weaknesses (measuring effectiveness)

- Quarterly cultural surveys using abbreviated INPO Organizational Effectiveness survey tool **(8/30/11)**
- Integrated INPO Assistance Visit, 4<sup>th</sup> Qtr 2011 pending plant restart
- Independent nuclear safety culture review **(12/31/11)**
- Quarterly safety culture briefings to senior management per NEI 09-07 **(12/31/11)**
- 2013 INPO Evaluation **(Spring 2013)**

Upgrade Performance Improvement Programs - PI program effectiveness has been inadequate to preclude our performance decline. These programs are the primary



instrument to continuous improvement, and will be benchmarked and upgraded as appropriate to ensure sustainability.

*Benchmark the following PI Processes:*

- Integrated Performance Assessment (**complete**)
- Other programs being benchmarked (**12/31/11**)
  - Self-Assessment process
  - Benchmarking process
  - Observation program
  - MRM process
  - Human Performance Program

*Implement process/program improvements:*

- Integrated Performance Assessment (**complete**)
- Needed changes will be implemented (**3/31/12**)
  - Self-Assessment process
  - Benchmarking process
  - Observation program
  - MRM process
  - Human Performance Program

*Measure Effectiveness of Changes:*

- Targeted cross functional assessment by an independent industry organization on Performance Improvement Process Effectiveness (**9/30/12**)
- 2013 INPO Evaluation (**Spring 2013**)
- Effectiveness measures are being developed which will track holistic station performance as compared to industry. For instance, % of KPIs in the 2<sup>nd</sup> quartile or better, moving to % of KPIs in top quartile as we progress.

Technical Conscience - Personnel have not consistently evaluated adverse conditions thoroughly or advocated prompt resolution of important technical concerns and equipment deficiencies. Leaders have not sufficiently reinforced the importance of prompt identification and resolution of concerns that affect maintaining design basis requirements and long-term equipment reliability.

- Benchmark Degraded/Non-Conforming process per NRC Inspection Manual Part 9900 (**11/30/11**)
- Based on benchmarking of the Degraded/Non-conforming process, upgrade procedures (FCSG-24) and processes as needed to address shortfalls, including training of personnel. (**2/28/12**)
- Benchmark Operational Decision Making (ODMI) process (**12/31/11**)
- Based on benchmarking, upgrade procedures (FCSG-27) and processes as needed to address shortfalls, including training of personnel. (**3/15/12**)

Improve Effectiveness and Efficiency of Key Station Processes - We recognize some of our processes are unnecessarily burdensome, making it difficult for our personnel to implement, and taking discretionary time that would be better focused on performance improvement.

- SPII team get comprehensive training on LEAN process **(6/30/12)**
- With involvement of work force, conduct a gap analysis of key station processes in need of improvement and streamlining **(3/31/12)**
- Benchmark/Assess the following processes, at a minimum:
  - Work Management Process
  - Design Change Process
  - Plant Health Committee Processes **(6/30/12)**
- Make improvements where needed and develop performance metrics to measure effectiveness **(9/30/12)**

Industry Assistance

- INPO Stream Analyses **(complete)**
- More frequent Senior Representative and Safety Audit and Review Committee visits **(on-going)**
- Integrated INPO Assistance Visit, **4<sup>th</sup> Qtr 2011** pending plant restart
- Independent Senior Management advisors
  - Site Vice President and CNO – PPL Generation
  - Site Vice President – Union Electric Company

Summary

We are striving for **Excellence**

We understand the **Urgency** to Significantly Improve Site Performance

We are **Committed** to achieving our SPII goal

Our Excellent Station Performance will be **Sustainable**