



GULF STATES UTILITIES COMPANY

April 5, 1990
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U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

River Bend Station - Unit 1
Docket No. 50-458

Gentlemen:

This responds to Mr. R. D. Martin's March 8, 1990 letter regarding a complaint received by the Department of Labor (DOL) Wage and Hour Division on January 17, 1990. The complaint was filed by an employee of Gulf States Utilities (GSU). That letter requested that GSU provide the Regional Office a response which:

1. Addresses NRC's concern that a violation of 10CFR50.7 may have occurred and includes a copy of any investigation reports GSU has regarding the circumstances of this matter; and
2. Describes the actions, if any, taken or planned to assure that this matter did not or does not have a chilling effect in discouraging other licensee personnel from raising perceived safety concerns.

The enclosure to this letter responds to the NRC's two requests.

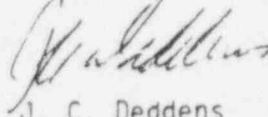
GSU requests that the enclosure be withheld from public disclosure pursuant to 10CFR2.790(a)(7)(iii) as information whose release could reasonably be expected to result in an unwarranted invasion of personal privacy, both as to the individual concerned and others whose activities are described in this letter. The release would also be inimicable to the Company's Quality Concern program as well as corporate policies and programs to assure its self compliance with 10CFR50.7.

c/1

April , 1990

If you have any additional questions concerning this matter, please let me know.

Sincerely,



J. C. Deddens
Senior Vice President
River Bend Nuclear Group

JCD/LAE:ch

Enclosure

cc: U. S. Nuclear Regulatory Commission
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GULF STATES UTILITIES COMPANY
 RESPONSE TO THE MARCH 8, 1990
LETTER FROM ROBERT D. MARTIN

This responds to Mr. R. D. Martin's March 8, 1990 letter regarding a complaint received by the Department of Labor (DOL) Wage and Hour Division on January 17, 1990. As explained below, the complaint resulted from the employee's misunderstanding as to a newly implemented job performance appraisal system in place at Gulf States Utilities Company, and the confusion which arose when the employee attempted to compare his past ratings with his most recent rating. Because the ratings under both systems are not directly comparable and have different implications regarding the potential for pay raises, the employee misunderstood how he had been evaluated and erroneously believed that he would not be eligible for a raise. However, the matter of the employee's job performance appraisal and salary increase as well as the other matters raised by his complaint to DOL have now been resolved to his satisfaction.

The complaint was filed by an employee of Gulf States Utilities (GSU) regarding the employee's performance appraisal as a supervisor in the Quality Assurance Department at the River Bend Station. The employee alleged that in December 1989, he received what he regarded as an inappropriately low performance appraisal rating because (1) he filed concerns following the plant's second refueling outage; (2) he had directed that work be stopped on instrument air system repairs for failure to comply with Quality Assurance requirements; and (3) he had directed Quality Assurance auditors to write Quality Assurance Finding Reports (QAFRs) during security audits, contrary to the memo directing that any finding be reported as observations.

As the result of the complaint filed by the employee with DOL, GSU conducted a thorough review into the fairness of the employee's performance appraisal and the concerns which the employee had cited as the perceived basis for his 1989 rating. That review formed the basis of this response.

Our review of this matter concluded that the employee's rating was unrelated in any manner whatsoever to his previously expressed concerns. The individual is a valued GSU employee with demonstrated proficiency in the technical requirements of our Quality Assurance Program. He had made and continues to make a valuable contribution to the furtherance of our nuclear

program in the area of quality assurance. He has been employed by GSU for seven and one-half years. He was promoted to his supervisory position approximately two years ago.

The employee's most recent appraisal did not result from any shortcoming in his technical knowledge or performance. Nor was it related in any way to any of the substantive issues he raised. Rather, his rating resulted from an observation that he needed improvement in his supervisory skills because of a few lapses in the area of interpersonal relationships with other employees at River Bend Station. It should be noted that this was the individual's first appraisal as a supervisor under the new rating system following his promotion to Supervisor-Quality Systems on December 16, 1987.

Even before GSU received the letter from DOL, GSU management had informed the individual that it was investigating the matter. The employee explained his belief that he should have received a rating higher than the "satisfactory on most counts" rating he actually received. However, the employer's statement filed with the DOL reflects an apparent misunderstanding of ratings under the new system as regards pay increases for the following year. Contrary to the employee's allegation before DOL, a "satisfactory on most counts" rating does not preclude a pay raise. It permits discretion to award a pay raise up to a three percent increase.

Accordingly, the individual had in fact qualified for a pay raise because an increase of up to three percent is available to any individual who, under the present system is rated "satisfactory on most counts." An individual given the next highest rating of "fully competent" would be entitled to a three to four percent increase. Because of the overlap in raises under these two ratings, the individual in question would have received only an incrementally higher pay increase (if higher at all) even if he had been given the next highest rating. Moreover, because a new system of rating employees and the distribution of ratings within the system had changed, this individual's most recent rating could not be fairly applied or compared to his rated job

performance under the old rating system. After receiving the DOL letter and attachments, GSU management completed its careful, ongoing review of the employee's rating and concluded that the rating given was reasonable and not meant to be punitive in any way.

Because of the apparent misunderstanding over the recent performance appraisal and pay increases, we discussed the employee's rating with him at length. First, it is GSU's policy that employees should understand the employee rating system and the reasons why they received their performance ratings so they may improve their performance. Second, GSU wished to assure this particular individual that he remains a valued employee and assure him that GSU will make every effort to ensure his steady progress as a supervisor. This will include making available to him additional training as necessary.

While GSU believes that it would have prevailed before DOL, it decided to resolve this matter amicably with the employee rather than pursue its statutory rights. Specifically, GSU reevaluated the employee's job performance rating for 1989 and changed it from "satisfactory on most counts" to "fully competent," and increased his present salary by four percent for 1990 at the time of his usual increase.

Foremost among our reasons for settling this claim was to show Company's good faith and continued confidence in the individual's abilities and potential for growth. Following its review, management felt that, had the individual been provided additional counseling during the appraisal period, he might have better overcome the few lapses in interpersonal relationships which resulted in the lower rating. It should be noted that, notwithstanding his concern, a three percent raise had already been budgeted for this individual. Also, the rating had always been considered a close judgment call. Another factor was that GSU had no reason to subject this employee to a public forum when his grievance could be easily resolved by a minor adjustment satisfactory to all concerned. Such a course would have been detrimental to GSU's highest priority of promoting concern for quality.

We have also reassured the individual that his concerns are taken very seriously and that GSU actively encourages Quality Concerns to be freely and fully aired. In accordance with NRC requirements, the agreement between GSU and the individual expressly states that nothing in the agreement "shall be construed to prohibit, restrict, or otherwise discourage the employee from voluntarily providing to any GSU supervisor or officer, the GSU Quality Concern Program, or any person within the Nuclear Regulatory Commission information about the possible violations of requirements imposed under the Atomic Energy Act or the Energy Reorganization Act, and NRC regulation, order and licenses."

Further, we have reviewed the three specific concerns expressed by the employee in his memorandum of December 27, 1989 (filed with his DOL claim) to assure him that they were not considerations in his appraisal and will not be used in any way with regard to future appraisals or other employment actions. Our discussions with the individual have resolved his concerns to his satisfaction.

In summary, GSU believes that no violation of 10CFR 50.7 has occurred, and that consultation by GSU management with this employee has alleviated any concern that his initial performance rating may have resulted from Quality reports and related activities on his part. In reassuring the individual, we have firmly expressed our continued confidence in his abilities and potential for growth as a supervisor, as evidenced by our willingness to reconsider and upgrade his performance appraisal. Gulf States Utilities management performance appraisal rating and salary administration is a highly confidential program involving the employee, his supervisor and department head. Any performance difficulties or related matters are not discussed openly. Therefore, we are confident that our good faith actions assure that this matter has not and will not have any chilling effect in discouraging other licensee personnel from raising perceived safety concerns.