Davis-Besse Management and Human Performance Improvement Plan

September 18, 2002

Welcome

Lew Myers
Chief Operating Officer

Desired Outcomes

- Discuss Management and Human Performance Improvement Plan
- Discuss the plan for improving our implementation of the Corrective Action Program
- Review results of the Safety Conscious Work Environment Survey and our plan for improvement

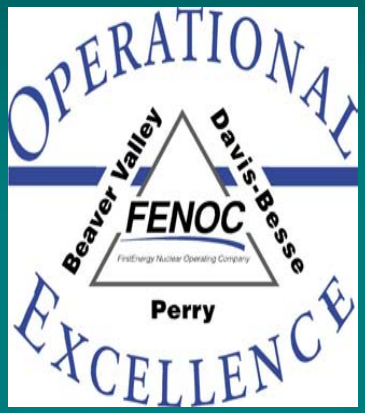
Safety

- ✓Proactive Safety Culture
- ✓Conservative Operations
- ✓FENOC Commitment to Safety

Value Creation

- ✓Measurable Value to Shareholders
- ✓Customer Service
- ✓Exceed Customer Expectations

Vision



Teamwork

- ✓Skilled & Flexible Work Force
- ✓Feedback Valued in Decision-making
- ✓Open Communication

Accomplishment

- ✓Achieve Goals & Objectives
- ✓Positive Change
- ✓Reward & Recognition

Accountability & Ownership

- ✓Initiative & Leadership
- ✓Personal Responsibility for Actions
- ✓Honesty & Ethical Behavior
- ✓Management Involvement
- ✓Knowledge

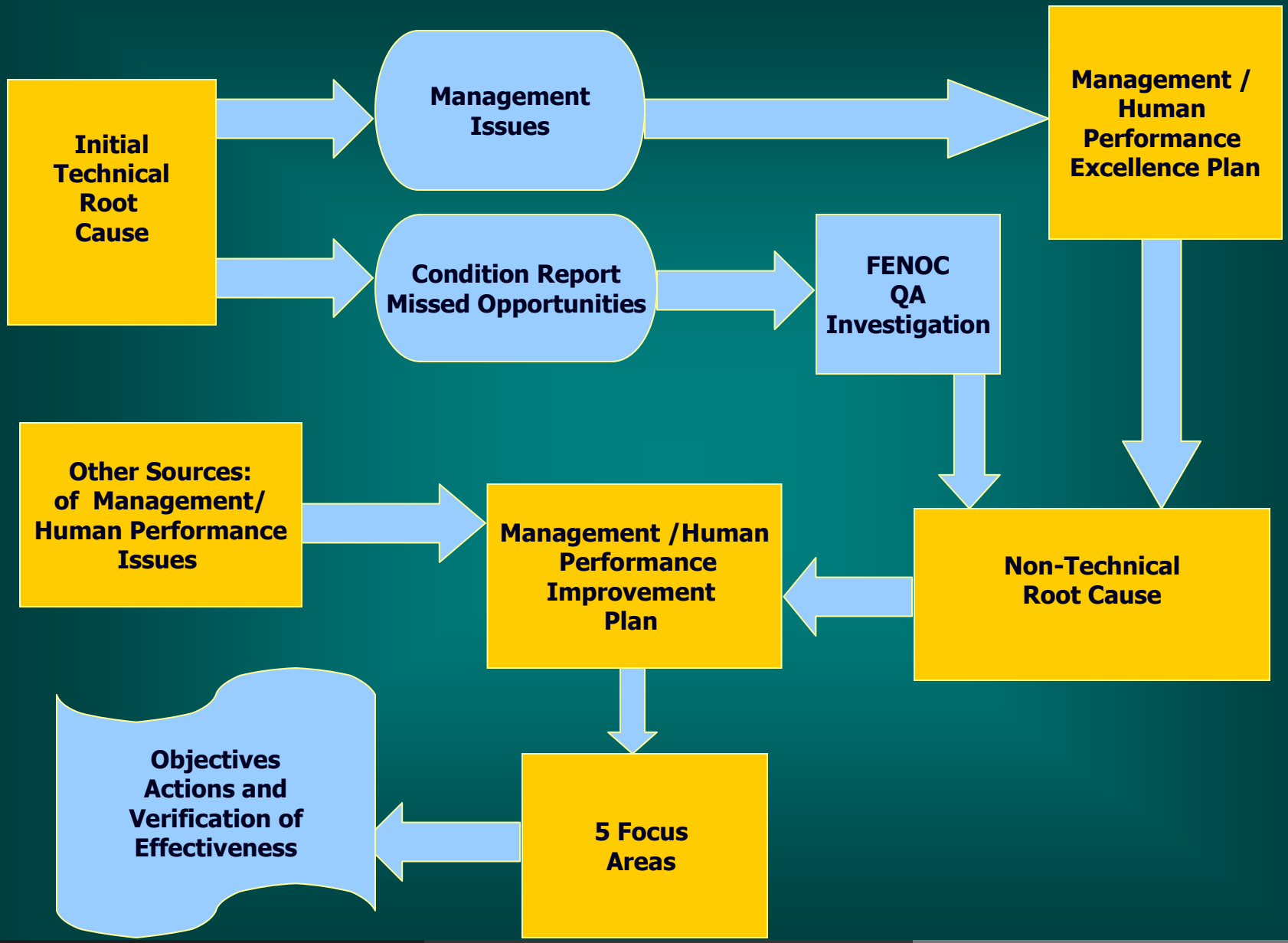
Mission: People providing safe, reliable and cost effective nuclear generation

Designed for restart and to provide for longer-term sustained performance.

Basic Building Blocks

Root Causes

Steve Loehlein
Manager - Quality Assessment


Initial Technical Root Cause
Management Issues
Management / Human Performance Excellence Plan
Condition Report Missed Opportunities
FENOC QA Investigation
Other Sources: of Management/ Human Performance Issues
Management /Human Performance Improvement Plan
Non-Technical Root Cause
Objectives Actions and Verification of Effectiveness
5 Focus Areas

Root Causes

- Less than adequate nuclear safety focus
- Less than adequate implementation of the Corrective Action Program
  - Addressing symptoms rather than causes
  - Low categorization of conditions
  - Inadequate cause determinations
  - Inadequate corrective actions
  - Inadequate trending
- Failure to integrate and apply key industry information and site knowledge
- Non-Compliance with the Boric Acid Corrosion Control Procedure and Inservice Inspection Program

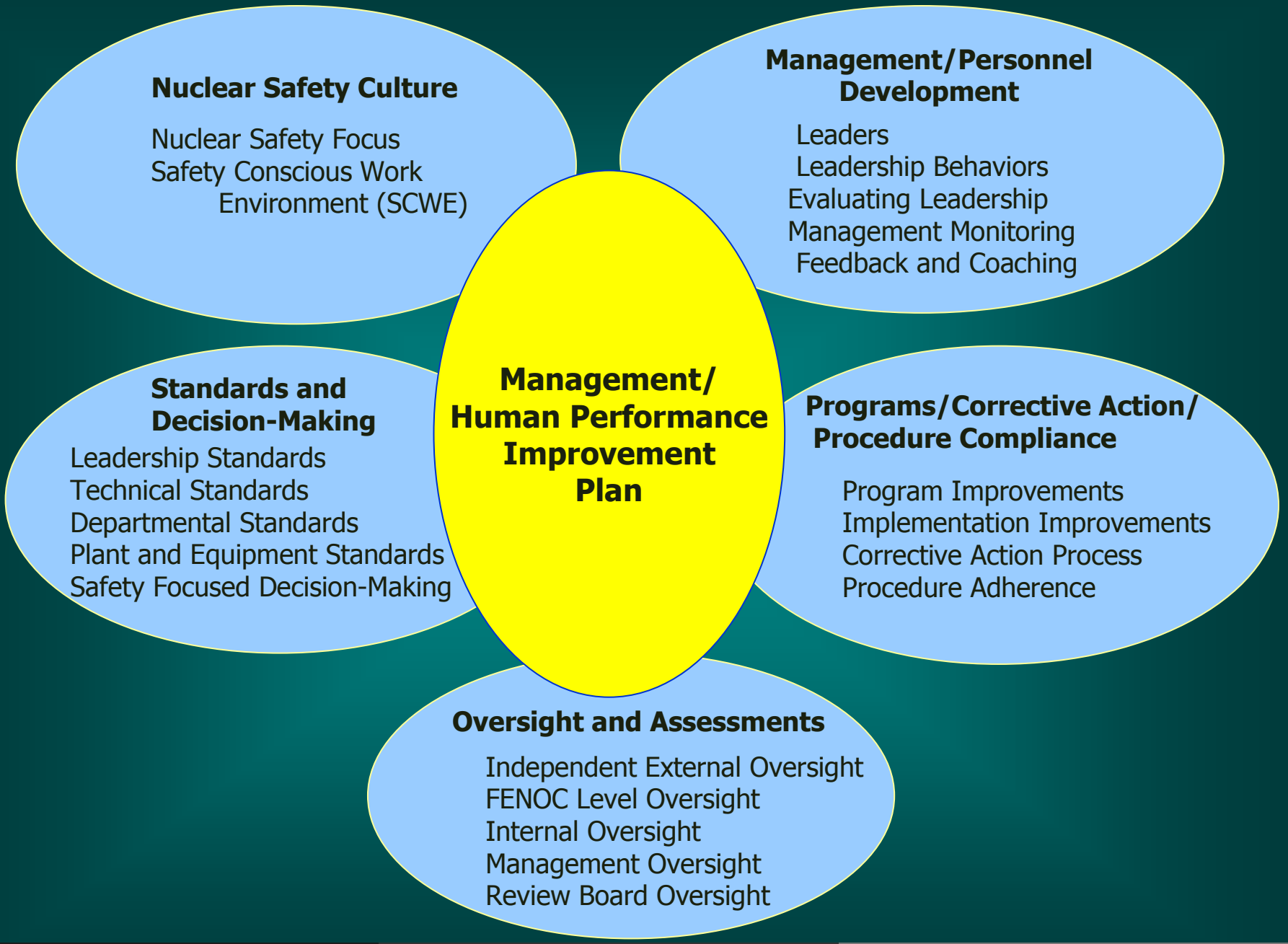
Root Cause Analysis Team

- Lead: Steve Loehlein (Beaver Valley)
- Bill Babiak (Perry)
- Mario DeStefano (Perry)
- Randy Rossomme (Beaver Valley)
- Lesley Wildfong (Conger & Elsea)
- Bill Mugge (Davis-Besse)
- Joe Sturdavant (Davis-Besse)
- Bobby Villines (Davis-Besse)
- Dick Smith (Conger & Elsea)
- Spyros Traiforos
- Oversight: Dorian Conger and Ken Elsea (C&E)

Management and Human Performance Implementation Plan

Dave Eshelman
Director - Life Cycle Management


Head Degradation Technical Root Cause
CR 02-00891
Operations Role in Site Safety Focus
CR 02-02581
Management Failure to Detect Head Degradation
CR 02-00891
Quality Assessment Effectiveness
CR 02-02578
Management / Human Performance Improvement Plan
Other Management Human Performance Root Causes
Integrated / Collective Cause Review
Other Actions


Nuclear Safety Culture
Nuclear Safety Focus
Safety Conscious Work Environment (SCWE)
Management/Personnel Development
Leaders
Leadership Behaviors
Evaluating Leadership
Management Monitoring
Feedback and Coaching
Management/ Human Performance Improvement Plan
Standards and Decision-Making
Leadership Standards
Technical Standards
Departmental Standards
Plant and Equipment Standards
Safety Focused Decision-Making
Programs/Corrective Action/ Procedure Compliance
Program Improvements
Implementation Improvements
Corrective Action Process
Procedure Adherence
Oversight and Assessments
Independent External Oversight
FENOC Level Oversight
Internal Oversight
Management Oversight
Review Board Oversight

Senior Management Team Standards

- We are committed to implementing the FENOC Mission, Vision and Values
- We will demonstrate our commitment to safety; demonstrate leadership courage with safety first and foremost
- We will recognize the Value of our people
- We pledge to uphold the Leadership in Action Principles
- We will earn the right to lead through our behaviors and actions.

Objectives of the Plan

- Actions
  - Identification of Actions
  - Designation of Restart Actions
  - Designation of Responsible Managers
  - Schedule for Activities
- Verification of Effectiveness
  - Performance Indicators and Goals
  - Assessments
- Plan is a Living Document long after restart

Improvements in Safety Culture

Objective:

FENOC has the following objective for safety culture at Davis-Besse:

Nuclear, radiological, and personnel safety have the highest priority and take precedence over other objectives, such as cost and production. Personnel feel free to raise safety concerns without fear of retaliation, and concerns are investigated and resolved in a timely manner.

Nuclear Safety Culture Initiatives

- FENOC Safety Policy
- SCWE Improvement Plan / SCWE Surveys
- New Management: FENOC Executive; Senior DB
- Safety Focus Training
- People Team
- Business Plan Alignment of Performance Incentives

Nuclear Safety Culture Initiatives

- Employee communication opportunities:
  - 4-C's meetings; Town Hall Meetings
  - ROP Employee Meetings
- Case Study Training
- Management Oversight Improvements:
  - Management Monitoring Program
  - Management Observation Scheduling

Verification of Effectiveness

- Self-Identification of Adverse Conditions indicator. The goal for restart is 80% or more.
  - Self-Assessments – Each group will include an evaluation of the safety focus.
  - Management Observations
  - SCWE Assessments – Conduct periodic assessments of SCWE at Davis-Besse. The goal for restart is to have an improving trend in SCWE.

Improvements in Management/ Personnel Development

Objective

FENOC has the following objective for its management of Davis-Besse:

Managers are experienced, have high safety standards, and are involved in directing and overseeing plant activities.

Improvements in Management/ Personnel Development

- New Management team
- Standards for Management
- Operations Improvement Plan
- Supervisory Evaluations
- Leadership in Action Training
- Foundations for Leadership
- Ownership for Excellence
- Management Monitoring Process

Verification of Effectiveness

Indicators

- Management Monitoring
  - Quality of pre-job briefs
  - Proper safety practices and equipment
  - Effective communications
  - Supervisory behaviors
  - Procedure or document use
  - Use of Station Error-Prevention tools
- Individual -error rate per 10,000 person-hours worked. The goal for restart is 0.50
- Accept As-Is disposition of Condition Reports

Verification of Effectiveness

Assessments

- INPO Assist Visit
- Restart Overview Panel

Improvements in Standards and Decision-Making

Objective

FENOC has the following objective for decision-making and technical assessments at Davis-Besse:

Decision-making and technical standards have a nuclear safety focus, have technical rigor, account for operating experience, and seek to correct problems rather than justifying acceptance of the problems.

Improvements in Standards and Decision-Making

- Decision-Making Nuclear Operating Procedure
- Establish Technical Staff Expectations
- Improvements in Use of Operating Experience
- Increased Resource Sharing with FENOC Plants
- Augmentation of the Engineering Staff
- FENOC Hierarchy of Documents
- Operations Oversight Executive

Improvements in Standards and Decision-Making

- Operations Excellence Plan
- Plant Labeling Improvements and Equipment
- Case Study
- Training on Technical Standards
- Creation of a Management Observation Program
- Establishment of an Engineering Assessment Board

Verification of Effectiveness

Indicators

- Assessment of Decision-Making Nuclear Operating Procedure
- Engineering Assessment Board Indicators
- Management Observation
- Open Control Room Deficiencies
- Open Operator Work-Arounds
- Open Temporary Modifications

Oversight and Assessment

Objective

FENOC has the following objective for oversight and assessments at Davis-Besse:

Davis-Besse has provisions for oversight and assessments, which are effective in identifying and correcting problems before they adversely affect safety and quality.

Oversight and Assessment

- New Oversight Groups
  - Creation of a Restart Overview Panel
  - Establishment of an Engineering Assessment Board
  - Creation of Restart Readiness Reviews by the Senior Management Team

Oversight and Assessment

Permanently Strengthen Existing Groups

- Improvements in Corrective Action Review Board
- Improvements in Senior Training Council
- Improvements in Engineering product reviews (Engineering Assessment Board)
- Improvements in the Project Review Committee
- Improvements in Quality Assessment
- Improvements in the Company Nuclear Review Board

Oversight and Assessment

New permanent assessments activities

- Restart Readiness Reviews
- Periodic System Reviews
- Periodic Program Reviews
- Improved Expectations and Standards for Oversight
- Weekend Duty Oversight
- Management Observation Program

Verification of Effectiveness

Performance Indicators

- Management Assessment of Readiness for Restart
- Corrective Action Program is effectively implemented to support restart
- Engineering products support restart
- Quality Assessment will track the number of Condition Reports it prepares
- Quality Assessment will track the number of Condition Reports it prepares that involve a repeat of previous conditions identified

Improvements in Programs/Corrective Action/Procedure Compliance

Objective

FENOC has the following objective for programs, corrective action and procedure adherence at Davis-Besse:

Programs comply with NRC regulations, incorporate applicable operating experience, and are effectively implemented. Adverse conditions (including adverse trends) are promptly identified and documented. The root causes of significant conditions adverse to quality are identified, actions are taken to preclude recurrence of the conditions, and the preventive actions are effective. Personnel comply with procedures as written, or obtain proper revisions as needed.

Programs/Corrective Action/Procedure Compliance Initiatives

Actions to Improve Programs

- Program Compliance Building Block Plan
  - Program Ownership
  - Expectations for Program Ownership
  - Improvements to the Ownership Model
  - Qualification Process for Owners
  - Improvements to the Self-Assessment Program

Programs/Corrective Action/Procedure Compliance Initiatives

Actions to Improve Program/Procedure Compliance:

- Reinforcing Standards for Procedure Compliance
- Emphasis on Procedure Compliance at Morning Meetings
- Management Observations

Programs/Corrective Action/Procedure Compliance Initiatives

Specific Program Changes

- Boric Acid Corrosion Control (BACC) Program
- In-service Inspection (ISI)
- Corrective Action program