

Re: Current Columbia Generating Station performance compared to the commercial nuclear industry

In previous letters we have presented the status of Columbia Generating Station (CGS) industry standing, this letter serves as update to that status. During the last 12 months there is been no appreciable improvement in performance.

Background:

Six years ago CGS was ranked 104 worst out of 104 commercial nuclear plants in the United States as measured by the INPO index. This index is accepted by the nuclear industry as the standard for overall performance tracking and includes safety, production and radiation protection components.

A new leadership team arrived in 2010 (Reddemann and Sawatzke) and they made it clear that the existing team had failed given our standing as measured by the INPO index.

Over the next three years our standing improved and we entered the top quartile for less than 30 days.

At that point the new leadership team claimed victory and disengaged.

As we pointed out in previous letters our performance steadily and steeply fell back to the bottom quartile of all US nuclear plants from 2014 to 2015.

In August of 2015 CGS was the 91st worst ranked plant in the US. This information was withheld by the CEO from the Executive Board (EB) and management received raises and praises as performance slipped.

The EB commissioned an "independent" investigation managed by the EB own nuclear expert that presided over the performance decline that was being investigated. This report concluded that "there had been inconsistent communication regarding CGS performance" and "the CNO failed to ensure accurate threshold information was used in the Executive Board presentations", but found no deception.

Now we are in August 2016, 12-months after the communication "inconsistency" began. What has happened in those 12-months?

- The EB paid a large sum of money, we don't know how much to Pillsbury to whitewash or at least minimize the actions of Senior Management
- INPO has elevated their oversight of CGS as a result of a series of human performance errors resulting in the nuclear power plant components being mis-positioned and one of which resulted in a plant shut down.
- We notified the EB of safety challenges and the investigation found little to no substance to our allegations. Subsequently an Energy Northwest employee was electrocuted and

required hospitalization. This event resulted in a \$2,000 fine from the Washington State Department of Labor and Industries. The reason for the fine was "Washington Administrative Code (WAC) Violation", the violation type as "serious" and the citation stated "Employer did not ensure the work practices in place were being followed which violated WAC 296-800-1402" ... "This could have caused a serious injury if the employee had lost consciousness and fallen onto something sharp or hard." The citation is attached.

- As we sit in our cubicles we hear our teammates talk about the possible identity of the letter writers and how they might find us and punish us, we have no hope that the EB will provide the correct oversight to staff on this topic and we wonder just how high in the organization the desire to find us exists.

We believe the Pillsbury report and the subsequent Executive Board communication at the all-employee meeting has contributed to this culture by protecting the poor decision making by senior management. One key piece of evidence we provided was not even addressed in the investigation. That evidence is the draft September 2015 CEO talking points by Paoli that clearly and plainly disclosed CGS's industry standing and Reddemann's subsequent removal of any reference to CGS industry index standing. Pretending this document does not exist does not make it go away. See attachment that shows the changes made from Paoli's draft to the final document revised by Reddemann, while Pillsbury ignored the document, we think the message it sends is clear.

Where is CGS performance today?

The INPO index measures safety, production and radiation protection performance for all US nuclear plants. This index is accepted by the nuclear industry as the standard for overall performance tracking and CGS is still in the 4th quartile according to the most current INPO data. As of the first quarter of 2016 CGS is the 86th worst performing nuclear power plant with a score of 81.2 out of 100 points. It should be noted this is data directly from INPO.

However, the most recent INPO index report provided to staff was that our score was 80.7 out of 100 points. We only know our ranking per INPO as of the end of first quarter 2016 not the real time status based on the score of 80.7, that will be updated this month (August 2016).

Regarding production of electricity, senior management has stated FY 2016 was our second best electricity generating year in our history. This is true, but where does this near record year place CGS in the industry? Over the last two years our capability factor is ranked 67th out of 99 nuclear plants, the EB can decide if that meets their expectations.

We assume the EB and rate payers expect us to provide at least middle of the road performance. The bottom line is; performance has not appreciably improved over the last 12 months and we are not sure the region understands this. We will not give up in our pursuit to ensure the safe operation of this valuable resource and the transparency that the public power rate payers deserve.

Received June 16, 2016
IDC GI1-16-0006
CGS GI2-16-057
DIC: _____



STATE OF WASHINGTON
DEPARTMENT OF LABOR AND INDUSTRIES
Division of Occupational Safety and Health
PO Box 44600 • Olympia, Washington 98504-4600

June 14, 2016

ENERGY NORTHWEST
INDUSTRIAL DEVELOPMENT COMPLEX
Human Resources
Po Box 968 Md Pe07
Richland, WA 99352-0968

OSHA #: 1140774
Inspection: 317940262
UBI: 034003333
Region: 5-Safety
Inspector ID: K9044
Reference: 102416449

Dear Employer:

Enclosed are the results of the safety and health inspection of your workplace. This packet contains:

- **Citation Invoice** – The total assessed penalty is \$2,000.00
- **Citation and Notice of Assessment** – Washington Administrative Code (WAC) Violations.
- **Employer Certification of Abatement instruction and form** - Correct all violations and return written verification or additional penalties may result.
- **Employer Appeal Rights** – You have 15 working days to appeal this citation.

You must immediately post this Citation and Notice of Assessment at or near where the violation(s) occurred, where employees can easily find and read it, or where employees normally receive posted information. All postings must remain until you have corrected all violations, or for three working days, whichever is longer. "Working day" means a calendar day, except Saturdays, Sundays and all legal state holidays.

Because this inspection is public information, the result will be posted online 30 days after the above date by the Department of Labor & Industries. You may view it at <https://secure.lni.wa.gov/verify/>.

If you have questions, call the compliance supervisor, Jeffrey Krausse, at (509) 764-6908.

Respectfully,

Anne F. Soiza

Anne F. Soiza
L&I Assistant Director
Division of Occupational Safety & Health

Enclosure(s)



Washington State Department of
Labor & Industries
Division of Occupational Safety and Health

Invoice

Inspection: 317940262

UBI: 034003333
Legal Name: ENERGY NORTHWEST
DBA Name: INDUSTRIAL DEVELOPMENT
COMPLEX
Inspection Site: 74 Power Plant Loop,
Bldg 4, Richland, WA, 99354

Issued: June 14, 2016
Opening Conference: April 12, 2016
Closing Conference: May 18, 2016

Inspector ID: K9044

Summary of Assessed Penalties Due

The Citation and Notice of Assessment includes a full description of each violation.

Violation Item	Violation Type	WAC	Correction Due Date	Penalty Amount
1-1	Serious	WAC 296-800-14025	7/2/2016	\$2,000.00
<u>Total Penalty Due</u>				\$2,000.00

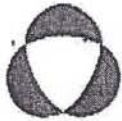
PAYMENT INFORMATION

Payment is due 15 working days from receipt of this citation.

Make check payable to the Department of Labor and Industries.

Write Inspection number 317940262 on the check and mail to:

Attn: DOSH Cashier
Department of Labor and Industries
PO Box 44835
Olympia, WA 98504-4835
Or deliver to: Any L&I office



Washington State Department of
Labor & Industries
Division of Occupational Safety and Health

Post This Document
Citation and Notice of Assessment
Inspection: 317940262

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Violation 1 Item 1

Violation Type: Serious

WAC 296-800-14025

Employer did not ensure the work practices in place were being followed which violates WAC 296-800-14025. The standard used by the company was not applied (ISPM Electrical safety 3.3.4) This caused the one employee to be subjected to induced voltage that was on the cable and when he touched it the energy was discharged into his body. This could have caused a serious injury if the employee had lost consciousness and fallen onto something sharp or hard.

Correct by: 7/2/2016

Assessed penalty: \$2,000.00

The attached document shows the changes made by the CEO to the September 2015 draft talking points created by Paoli. The purpose of these talking points is to guide the CEO's remarks to the governing boards at the beginning of each board meeting.

The black print is the original language by Paoli that remained in the final document.

The underlined blue print was added to the final draft by the CEO.

The blue print that is lined through was drafted by Paoli and deleted by the CEO, the arrow points to the paragraph notifying the governing boards that CGS entered the 4th quartile that was subsequently deleted by the CEO and not delivered to the governing boards. Paoli clearly understood the importance of this change in standing.

As discussed in our response to the investigation, the CEO and CNO purposely deceived the board in August 2015 when their compensation was established. Then in September 2015 the deliberate deletion of the disclosure of the 4th quartile standing is clearly done to continue the deception.

Industry measures

- ~~Before moving into asset performance, I want to recall last month's report from Brad in which he summarized Columbia's performance compared to the industry using what we believe to be the most important measures in the areas of safety, reliability and cost. You saw that we're doing quite well in the areas of nuclear, industrial & environmental safety, human performance, and cost of power.~~
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- ~~We're not doing well with regard to Collective Radiation Exposure or Reliability compared to the industry due to the emergent outage work on our reactor water cleanup system piping, and the forced loss we incurred once we were back online as a result of the stuck discharge valve on one of the feedwater pumps.~~

- ~~Several of our indicators are already top quartile, to include cost of power. But as Brad briefed, on overall measures we were 3rd Quartile compared to our peers. Improved performance measures from our peers during the last month have had the effect of pushing Columbia into the 4th Quartile.~~



- During his presentation, Grover will talk about action plans underway to help re-gain top-quartile performance in those areas where we are not at industry standards of Excellence.
 - He will also discuss a change we've made to add outage performance to the list of focus areas in Phase IV.
 - Last month you questioned whether we should be in Phase IV. Brad, Grover and I discussed this issue at length and decided the short answer was yes.
 - There were several reasons for our conclusion:
-

- o As I mentioned, we have achieved top quartile in many areas and will likely never be in top quartile in all areas.

- o As we've always said, our phases of excellence are building blocks that never go away. We are in all four phases today.

- o We are and will continue to drive to achieve excellence in every area.

- o At the same time, we concluded that outage performance was one of our largest contributions to performance not in the top quartile.

- o We also concluded that collective radiation exposure, equipment reliability and supplemental personnel performance still require a lot of attention.

- o These and other areas for improvement will remain under the original four focus areas in Phase IV.

- Finally, I can assure you we continue to drive for excellence. **High-**