



John R. Attanasio
Vice President and
General Counsel

November 21, 1991

Dr. Thomas E. Murley, Director
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Washington, DC 20555

Dear Dr. Murley:

We are in receipt of a copy of a letter dated November 14, 1991, addressed to you, from S. R. Tritch of Westinghouse Electric Corporation attaching a "generic version" of a customer notification letter. That customer notification letter, insofar as it suggests that ABB Power T&D Company Inc. ("ABB") has any responsibility to customers (or anyone else) concerning ASL Dry Type Transformers is false and misleading.

Following a brief joint venture with Westinghouse during 1989, ABB acquired certain assets and assumed certain liabilities related to the power transmission and distribution business previously conducted by Westinghouse. As to the ASL Dry Type Transformers, the last of which were manufactured by Westinghouse approximately seven years prior to the joint venture with ABB, no liabilities whatsoever were assumed by ABB.

We have given formal notice to Westinghouse of our extreme displeasure concerning its approach to this matter and of our demand that Westinghouse take all necessary steps to correct the impression given in its letter to customers that ABB has any responsibility for the ASL Dry Type Transformers. A copy of our letter to Westinghouse is attached for your information.

Sincerely,

John R. Attanasio

cc: S. R. Tritch, Manager
Engineering Technology Department
Nuclear and Advanced Technology Division
Westinghouse Electric Corporation
Box 355
Pittsburgh, PA 15230-0355

ABB Power T&D Company Inc.

9201210227 920102
PDR ADOCK 05000397
S PDR

ABB Power T&D Company Inc.
830 Sentry Park
Blue Bell, PA 19422

Telephone:
215 834-7411

Telex:
215 834-7426



John R. Attanasio
Vice President and
General Counsel

November 21, 1991

Via fax: 412-642-3404

Mr. Theodore Stern
Executive Vice President
Westinghouse Electric Corporation
11 Stanwix Street
6 Gateway Center
Pittsburgh, PA 15222

Dear Mr. Stern:

We have received a copy of a letter dated November 14, 1991 (copy attached) from the Nuclear and Advanced Technology Division of Westinghouse Electric Corporation ("Westinghouse") to the United States Nuclear Regulatory Commission ("NRC"). The letter attaches a "generic version" of a customer notification letter concerning the discovery of cracked insulators in certain ASL Dry Type Power Center Transformers ("ASL Transformers"). The customer notification letter advises that the ASL Transformer product line was sold to ABB Power T&D Company Inc. ("ABB") and suggests that customers "pursue" with ABB the matter of cracked insulators in the ASL Transformers.

The product line in question was manufactured by Westinghouse at its Sharon plant until approximately 1982, some seven years before the Venture Agreement between Asea Brown Boveri Inc. and Westinghouse dated as of February 14, 1989 ("Venture Agreement"). Consequently, as to all ASL Transformers now in existence no liabilities of any kind were transferred to ABB. In addition, because the manufacture of all existing ASL Transformers predates the Venture Agreement, the indemnification provisions of the Venture Agreement require Westinghouse to defend, indemnify and hold harmless ABB from and against any claims made against ABB in connection with any ASL Transformers.

The attached customer notification letter is thus false and misleading to the extent it suggests to customers that ABB has any responsibility whatsoever for ASL Transformers. The statement that "Westinghouse does not have the necessary technical information" to deal with the product problem is also false because, with respect to technical information relating to the ASL Transformers, Westinghouse has at least a license under the Technology Agreement between Westinghouse and the Joint Venture, dated as of February 14, 1989.

ABB Power T&D Company Inc.

Mr. Theodore Stern
November 21, 1991

Page 2

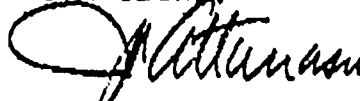
The letter to the NRC and the customer-specific versions of the "generic" notification letter were transmitted by Westinghouse with complete disregard for the accuracy of their contents. Prior to the transmittal date of the letter to the NRC and as early as November 5, 1991, ABB gave notice, both orally and in writing, to responsible Westinghouse persons that the proposed contents of the notification letters were incorrect and likely to cause injury to ABB, including loss of good will with major customers. Therefore, Westinghouse very clearly knew or should have known of the inaccuracy of the notification letters and the probable injury to ABB that would result from their transmittal.

The customer notification letters are already having the effect that could have been anticipated. To date, at least two major customers have approached ABB to inquire as to what ABB intends to do about the problem with the ASL Transformers. Although ABB will advise customers of ABB's lack of responsibility for the product, and will do all that is possible to mitigate the injury caused by Westinghouse's action, there is a need for prompt, decisive and satisfactory corrective action by Westinghouse.

Without waiving any claims it may have for injunctive relief, monetary damages or other remedies under the Venture Agreement, in tort, or otherwise, arising from the customer notification letters, ABB hereby demands that Westinghouse immediately advise all recipients of the notification letters (including the NRC) (1) that the letter was wrong and ill-advised insofar as it states or implies that ABB has any responsibility for the ASL Transformers, and (2) that any claims that customers might have should be directed to Westinghouse and not to ABB. In addition, please furnish to me copies of all customer notification letters actually distributed by Westinghouse concerning the ASL Transformers.

Please furnish copies of the customer notification letters to me, and advise me whether Westinghouse will take the corrective action demanded, on or before November 25, 1991.

Sincerely,


John R. Attanasio

cc: William F. Stoll, Jr., Esq. (via fax: 412-642-4905)