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June 12, 1979

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Mr. Glenn O. Bright  
Atomic Safety and Licensing  
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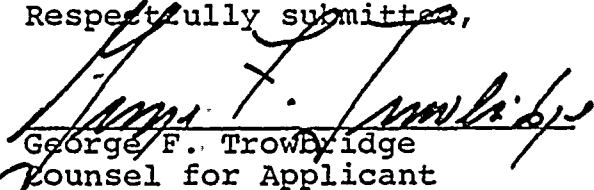
Dr. J. V. Leeds, Jr.  
10807 Atwell  
Houston, Texas 77096

In the Matter of  
Carolina Power and Light Company  
(Shearon Harris Nuclear Plant, Units 1, 2, 3 & 4)  
Docket Nos. 50-400, 50-401, 50-402, 50-403

Gentlemen:

Pursuant to a Board Order dated May 25, 1979 and served May 29, 1979, I enclose copies of an "Affidavit of J. A. Jones", marked for identification as Applicant Exhibit PP, and "Revisions to Applicant's Proposed Findings of Fact and Conclusion of Law in the Form of a Supplemental Initial Decision (Construction Permits)".

Respectfully submitted,

  
George F. Trowbridge  
Counsel for Applicant

Enclosure  
cc: per certificate of service

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of	)	
	)	
CAROLINA POWER & LIGHT COMPANY	)	Docket Nos. 50-400
	)	50-401
(Shearon Harris Nuclear Power	)	50-402
Plant, Units 1, 2, 3 and 4)	)	50-403

AFFIDAVIT OF  
J. A. JONES

J. A. Jones, having been first duly sworn, hereby deposes and says as follows:

1. I am Senior Executive Vice President and Chief Operating Officer of Carolina Power & Light Company. My business address is 411 Fayetteville Street Mall, Raleigh, North Carolina 27602. In my capacity as Executive Vice President and Chief Operating Officer I testified in the reopened hearings on Carolina Power & Light Company's management capability in this proceeding on March 7 and 8, 1979.

2. At a meeting of the Company's Board of Directors on May 16, 1979, certain changes were made in the Company's management organization which have resulted in the need for updating the testimony I presented at the hearing.

3. Attached are Figures A and B, which show the Carolina Power & Light Company corporate organization as of June 1, 1979. These Figures are identical to Figures 1 and 2 on pages 10 and 14 of my original testimony following TR at 3494, except as modified to reflect the changes made by the Board of Directors on May 16.

4. Under the reorganization, all administrative functions will continue to be combined under the direction of Mr. Sherwood H. Smith, Jr., President and Chief Administrative Officer. However, the System Planning and Coordination Department, which formerly reported to me, has been transferred to the Corporate Services Group which reports to Mr. Smith. Mr. Wilson W. Morgan, who was Vice President - System Planning and Coordination Department, has been named Senior Vice President and Group Executive and is now in charge of the Corporate Services Group. The System Planning and Coordination Department which Mr. Morgan used to head is now headed by Mr. Lynn W. Eury, who was promoted to Vice President. Mr. Eury reports to Mr. Morgan.

5. I was promoted to Senior Executive Vice President and Chief Operating Officer and continue to supervise and direct all operating functions, including a new Nuclear Safety and Research Department. In place of the three operating groups which formerly reported directly to me, however, there are now four operating groups. Of these, only the Engineering and Construction Group reports directly to me. The remaining three report to Mr. E. E. Utley, who was promoted to Executive Vice President and reports to me. The Vice President of the new Nuclear Safety and Research Department also reports directly to me.

6. The three groups reporting to Mr. Utley, who formerly was Senior Vice President - Power Supply Group, are (a) the Power Supply Group, (b) a new Fuel and Materials Management Group, and (c) the Customer and Operating Services Group. The Power Supply Group is now headed by Mr. Darrell V. Menscer, a Senior Vice President and formerly head of the Corporate Services Group. Within the Power Supply Group are two departments, the Generation

Department, headed by Mr. B. J. Furr and the System Operations and Maintenance Department, headed by Mr. Jerry Kirk. The new Fuel and Materials Management Group created in the reorganization was placed under the direction of Mr. James M. Davis, Jr., former Manager of the Rates and Service Practices Department. Mr. Davis was named Vice President and Group Executive. This group consists of two departments, the Fuels Department, which formerly was a part of the Power Supply Group, and the Materials Management Department, which formerly was a part of the Customer and Operating Services Group.

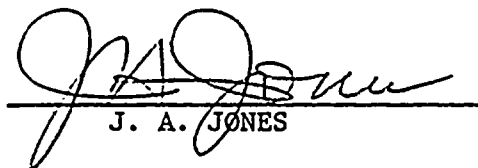
7. The new Nuclear Safety and Research Department, as noted, reports directly to me. This new department will be headed by Dr. Thomas S. Elleman, effective September 1, 1979, who is Chairman of the Department of Nuclear Engineering at North Carolina State University, and includes the functions of Corporate Health Physics and Corporate Nuclear Safety and Quality Assurance Audit which administratively were formerly under Mr. Wilson W. Morgan in the System Planning and Coordination Department. The research function within the Company has also been transferred to this new department from the Technical Services Department. The director of Corporate Health Physics and the manager of Corporate Nuclear Safety and Quality Assurance Audit will continue to have direct access to me as they have in the past.

8. The Senior Management Committee has been expanded from nine members to eleven to include the additional two new group executives.

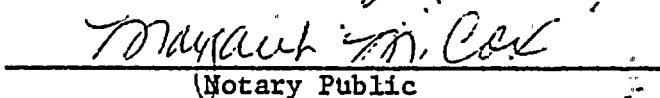
9. The primary purpose of the management reorganization announced by the Board of Directors was to expand opportunities for management development, to increase senior management strength, and to help assure an orderly transition of responsibility during the next four years, prior to

retirements of Mr. Shearon Harris, Chairman of the Board and Chief Executive Officer, Mr. W. J. Ridout, Jr., Senior Vice President - Customer and Operating Services Group, and myself. The addition of the new Department of Nuclear Safety and Research at the corporate level under the direction of Dr. Elleman, who has an outstanding background in nuclear engineering and has served as a consultant to many national and state organizations, including the NRC, the Department of Energy and the North Carolina Utilities Commission, reflects the strong commitment of our senior management to assure the highest degree of safety in all of our nuclear operations.

10. In every case, the reorganization is a step toward strengthening our senior management organization and is a part of our continuing program to assure a strong organization for the future. As I noted in my earlier testimony at 28 (following TR at 3494) "[W]e regularly review our organizational structure, and from time to time in the future, as it appears appropriate, we will make additional changes in the Power Supply Group and all other areas of corporate operations to strengthen our management effectiveness, since flexibility and growth are essential to good management."

  
J. A. JONES

Sworn to and subscribed before me  
this 7th day of June, 1979.

  
(Notary Public

My commission expires: July 4 1980

20.000

20.000

**CAROLINA POWER & LIGHT COMPANY  
CORPORATE ORGANIZATION  
JUNE 1, 1979**

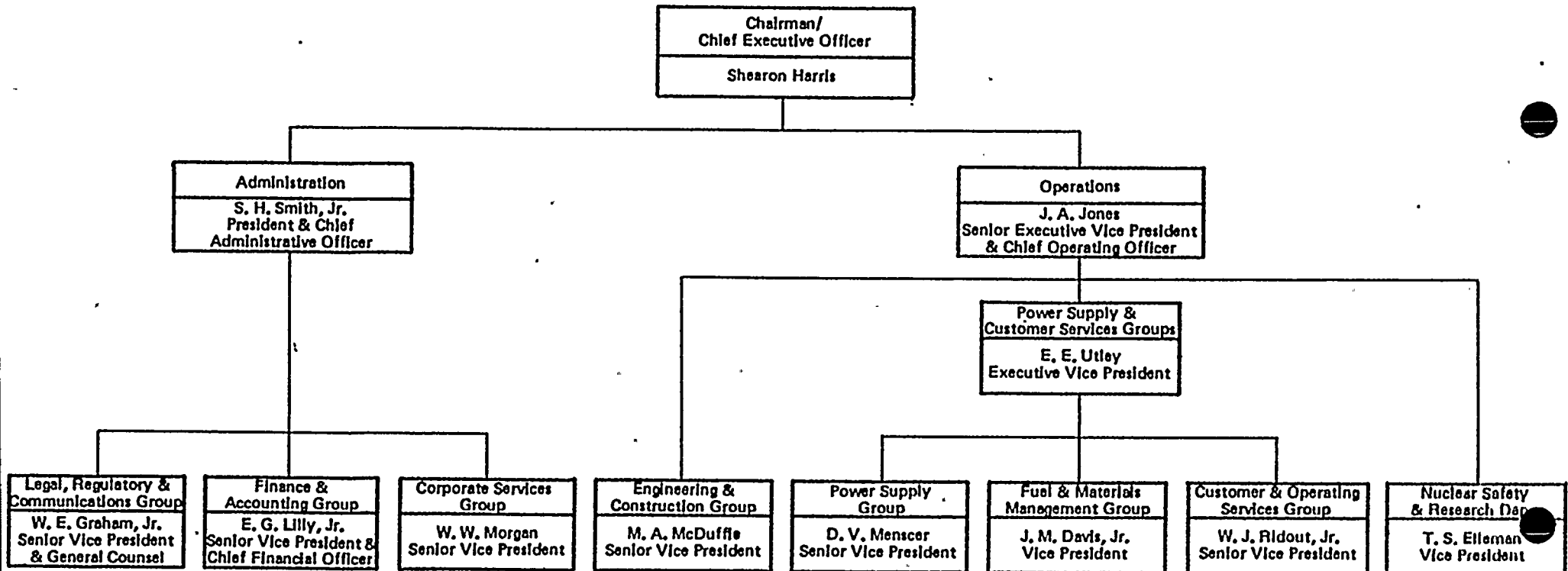
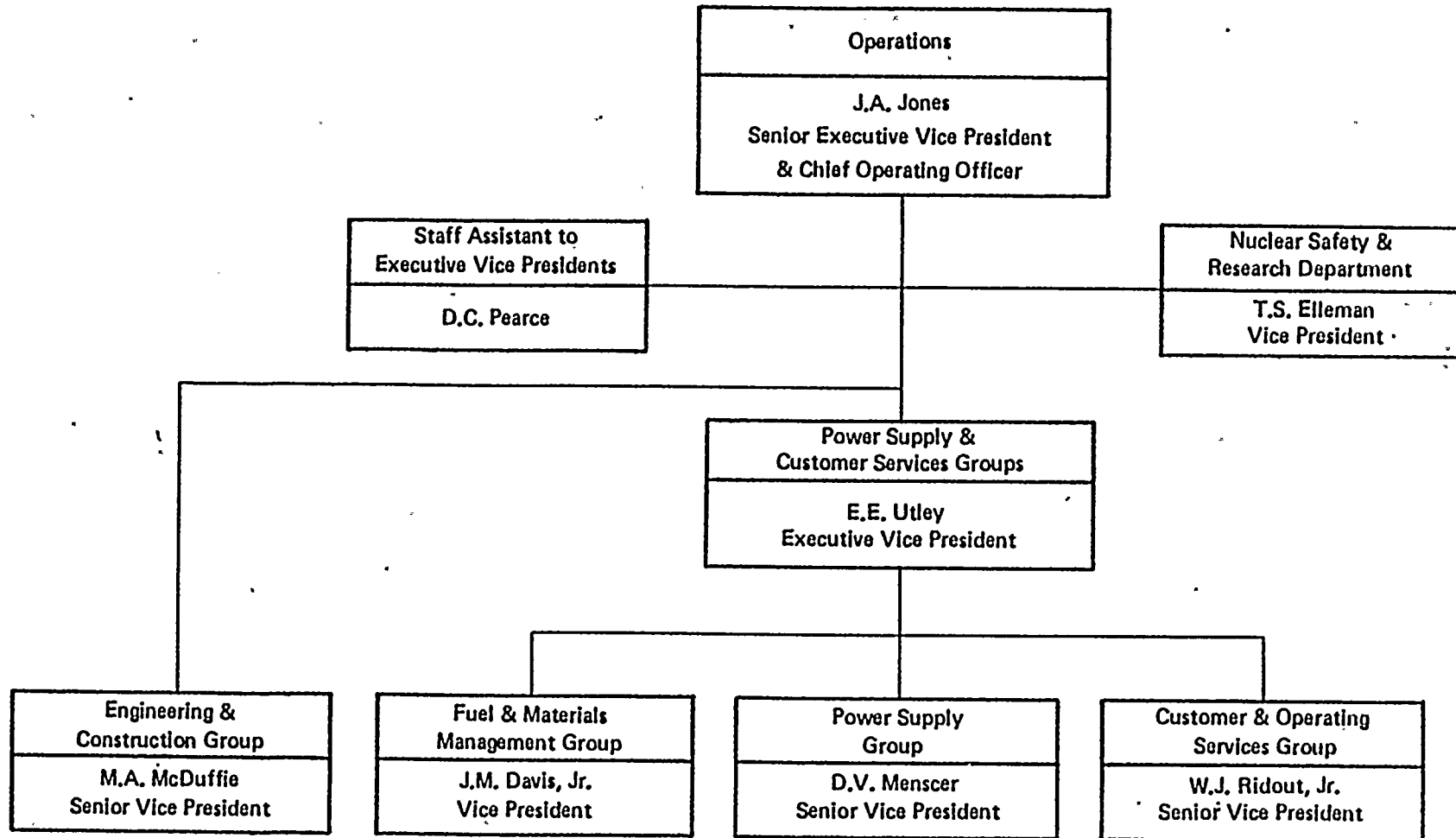


Figure A

**OPERATIONS GROUP**  
**JUNE 1, 1979**



**Figure B**



June 12, 1979

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	)	
	)	
CAROLINA POWER & LIGHT COMPANY	)	Docket Nos. 50-400
	)	50-401
(Shearon Harris Nuclear Power	)	50-402
Plant, Units 1, 2, 3 and 4)	)	50-403

REVISIONS TO APPLICANT'S PROPOSED FINDINGS  
OF FACT AND CONCLUSION OF LAW IN THE FORM  
OF A SUPPLEMENTAL INITIAL DECISION  
(CONSTRUCTION PERMITS)

On May 16, 1979, Carolina Power & Light Company's Board of Directors approved certain changes in the Company's management organization to be effective June 1, 1979.

Applicant informed the Board of these changes by letter dated May 18, 1979. By Board Order dated May 25, 1979, Applicant was directed to submit an affidavit setting forth the changes in CP&L's management organization relevant to the testimony received on the subject during the evidentiary hearings and why the changes were made. Applicant was further directed to submit supplemental proposed findings of fact reflecting the changes in the evidentiary record.



Applicant hereby submits revisions to Applicant's Proposed Findings of Fact and Conclusion of Law in the Form of a Supplemental Initial Decision (Construction Permits) dated April 17, 1979 ("Applicant's Proposed Findings"). These revisions are in the form of a revised Paragraph 14, a new Paragraph 14a (to follow Paragraph 14) and a revision to page v to Attachment A - Exhibits. These revisions reflect the relevant changes detailed in Applicant Exhibit PP, concurrently filed with the Board this date.

Paragraph 14 of Applicant's Proposed Findings is amended to read as follows:

14. Carolina Power & Light Company has divided its corporate organization into two main areas, administration and operations. Mr. J. A. Jones, Senior Executive Vice President and Chief Operating Officer for CP&L, testified as to the overall organizational structure of the Company and to the philosophy behind the present structure. Direct Testimony of J. A. Jones on Behalf of Applicant, following Tr. 3494 ("Jones Testimony") at 9-11, 26-29. Subsequent to the hearings, on May 16, 1979, the Company's Board of Directors approved certain changes in CP&L's management organization. These changes were explained in an affidavit of J. A. Jones submitted by Applicant in accordance with a Board Order dated May 25, 1979. Applicant Exhibit PP. As a result of the new management alignment, reporting directly

to Mr. Jones are the Executive Vice President, E. E. Utley (responsible for the Power Supply and Customer Services Groups) and the Senior Vice President -- Engineering & Construction Group, M. A. McDuffie. Reporting to Mr. Utley are two Senior Vice Presidents (D. V. Menscer, Power Supply Group; and W. J. Ridout, Customer & Operating Services Group) and a Vice President (J. M. Davis, Fuel & Materials Management Group). Applicant Exhibit PP at 2, Fig. B. Mr. Utley described the Power Supply Group and its organization and functions, particularly with respect to management of the Company's nuclear program. Utley-Banks Testimony at 5-8. Mr. Harold R. Banks, CP&L's Manager - Nuclear Generation, described the organizational structure of CP&L's two operating nuclear power plants, H. B. Robinson Plant ("Robinson Plant" or "Robinson") and Brunswick Steam Electric Plant ("Brunswick Plant" or "Brunswick"). Utley-Banks Testimony at 11-15. Mr. McDuffie described the major functions and the basic organization of the Engineering & Construction Group as it relates to the nuclear program, and in particular to construction of the Harris Plant. Direct Testimony of M. A. McDuffie on Behalf of Applicant, following Tr. 3505 ("McDuffie Testimony") at 3-8. Messrs. Jones, Utley, McDuffie and Banks, testifying as a panel, provided an opportunity for the Board and the parties to question Applicant's senior management directly concerning its control

of nuclear plant operations and construction activities. Lines of communication and delegation of responsibility appear to be adequate and consistent with the safe and effective management of a large nuclear program.

Paragraph 14a is added to Applicant's Proposed Findings to follow Paragraph 14 as follows:

14a. One of the organizational changes approved by CP&L's Board of Directors on May 16, 1979, was the creation of a new Nuclear Safety and Research Department. Effective September 1, 1979, this new department will be headed by Dr. Thomas S. Elleman, who presently is Chairman of the Department of Nuclear Engineering at North Carolina State University and who has an outstanding background in nuclear engineering, having served as a consultant to many Federal and state organizations. Dr. Elleman has been named a Vice President of CP&L and will be responsible for the functions of Corporate Health Physics and Corporate Nuclear Safety and Quality Assurance, in addition to research functions within the Company. Dr. Elleman will report directly to Mr. Jones. However, the director of Corporate Health Physics and the manager of Corporate Nuclear Safety and Quality Assurance Audit will continue to have direct access to Mr. Jones as in the past. The creation of this new Department of Nuclear Safety and Research reflects positively on the strong commitment of CP&L senior management to assure the highest degree of safety in all nuclear operations. Applicant Exhibit PP at 3, 4.

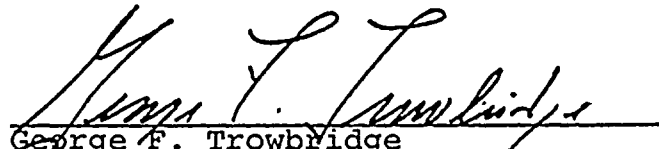
Page v of Attachment A to Applicant's Proposed Findings is amended by adding Applicant Exhibit PP to the listing as follows:

Applicant Exhibit PP

- Affidavit of J. A. Jones,  
dated June 7, 1979,  
pursuant to Board Order  
dated May 25, 1979.

Respectfully submitted,

SHAW, PITTMAN, POTTS & TROWBRIDGE

  
George F. Trowbridge  
John H. O'Neill, Jr.

Counsel for Applicant

1800 M Street, N.W.  
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Dated: June 12, 1979



UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of	)	
	)	
CAROLINA POWER AND LIGHT	)	Docket Nos. 50-400
COMPANY	)	401
	)	402
(Shearon Harris Nuclear	)	403
Plant, Units 1, 2, 3 & 4)	)	

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing  
"Revisions to Applicant's Proposed Findings of Fact and  
Conclusion of Law in the Form of a Supplemental Initial  
Decision (Construction Permits)" and "Affidavit of J. A. Jones"  
have been served upon each of the persons listed on the  
attached service list by mail, postage prepaid, this 12th day  
of June, 1979.

  
\_\_\_\_\_  
John H. O'Neill, Jr.

June 12, 1979



UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

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