

NORTHEAST UTILITIES



THE CONNECTICUT LIGHT AND POWER COMPANY
WESTERN MASSACHUSETTS ELECTRIC COMPANY
HOLYoke WATER POWER COMPANY
NORTHEAST UTILITIES SERVICE COMPANY
NORTHEAST NUCLEAR ENERGY COMPANY

General Offices • Berlin, Connecticut

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WILLIAM B. ELLIS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

December 24, 1992

Mr. James M. Taylor
Executive Director of Operations
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Dear Mr. Taylor:

Nuclear Safety Concerns

The attention of Northeast Utilities (NU) management and the NRC Staff has been focused in the last several months on performance issues at NU's nuclear facilities. Various NU internal Task Group efforts identified performance issues last year very similar to those described by the NRC Staff Special Review Group (SRG) in the Executive Summary of its report.⁽¹⁾ Eight months have now passed since we responded to your letter transmitting the Executive Summary,⁽²⁾ and I wanted to take this opportunity to provide you with an update on some of the issues raised by the SRG regarding the handling of nuclear safety concerns at NU.

At the time of the writing of the Executive Summary of its report, the SRG had observed that while there has not been a "chilling effect" at NU on the willingness of employees to report safety concerns, the "present atmosphere could not be conclusively determined" because of the recent restructuring of our nuclear management team and pending efforts to enhance our nuclear performance. A related theme underscored by the SRG concerned the need to improve the ease of access to and visibility of NU's Nuclear Safety Concerns Program (NSCP) (improvements targeted also in our internal Task Group review of the program).

As a result of the restructuring of our nuclear organization and of other management initiatives, we believe that teamwork, communications, and morale have improved, and a work environment that we always thought conducive to the expression of concerns has been enhanced. While our efforts to address management and performance issues such as those raised by the SRG predated the development of NU's Performance Enhancement Program (PEP), our goals for

(1) J. M. Taylor letter to W. B. Ellis, dated April 6, 1992.

(2) W. B. Ellis letter to J. M. Taylor, dated April 15, 1992.

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improvement in these areas have been incorporated into the PEP in the form of comprehensive action items. The PEP is moving forward, and we have been keeping the NRC Staff fully apprised of the progress of these efforts. As you know, a Commission briefing concerning the status of the PEP is scheduled for February 9, 1993.

We have also fulfilled the commitment we made in our response to your letter transmitting the SRG's Executive Summary to explore ways in which we could improve our NSCP. As a result of our evaluation of the NSCP, we have implemented a number of enhancements, as well as a recent procedural revision to NEO 2.15, our internal procedure addressing "Nuclear Safety Concerns." We intend that these changes will make the NSCP more accessible and visible to employees. We fully recognize that it is very much in NU's interest that an environment be fostered in which employees will use this program to express themselves on nuclear safety issues should the normal use of line management be perceived as ineffective or inappropriate in a particular case.

Peer Representative Program

As part of our continuing scrutiny of the NSCP, we commissioned an "Allegations Root Cause Task Force" in 1991 to review NSCP performance. Among other things, the Task Force recommended that we: (1) make the NSCP more "user-friendly" by increasing its visibility, and (2) staff the program with working level personnel who could relate to employees in their various locations within the organization. As noted, subsequent to our internal Task Force review of the program, the NRC Staff Special Review Group similarly indicated that the NSCP's effectiveness could be enhanced by improving the ease of employee access to the program. To implement these recommendations, we created a Peer Representative Program--to our knowledge, the first of its kind in the nuclear industry--in which volunteers throughout the nuclear organization (currently 32 individuals) act as liaisons to the NSCP. I sent a memorandum to all nuclear employees announcing the implementation of this program on April 30, 1992 (Attachment 1).⁽³⁾

Rather than contact the NSCP directly, any employee may contact any NSCP peer representative, in confidence. This individual will assist in and facilitate the handling of a nuclear safety concern. When an employee approaches a peer representative with a concern, the representative will then relay the concern to the NSCP. These volunteers work in a broad cross-section of departments and locations (including the Haddam Neck Plant, our Millstone units, and our Berlin office), and therefore provide our employees with ready access to the NSCP. These representatives were enrolled based on their knowledge of systems and procedures and based on their reputation for integrity and ability to inspire trust among their peers; all those who volunteered were selected. The

(3) This and other recent enhancements to the NSCP were described in a September 25, 1992, letter from J. F. Opeka to T. T. Martin.

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NSCP Staff has quarterly meetings with the peer representatives to exchange experiences, ideas, and industry information. The NRC Senior Resident Inspector from Millstone Station was invited to, and attended, the most recent of these meetings.

Management is committed to the success of this program. A 16-hour orientation session for the peer representatives was conducted, during which time I met with the peer representatives for a session which evolved into a two-hour discussion.

In short, our Peer Representative Program is designed to make it easier for employees to communicate with the NSCP and more likely that they will do so. Indeed, a number of peer representatives have already been contacted by NU employees. Most encouraging is the fact that a majority of the issues identified to the peer representatives were able to be resolved through the chain-of-command. The peer representatives acted as facilitators, guided by NSCP staff, in bringing the issues forward and achieving timely resolutions with a minimum of formality. We believe that this innovative enhancement to the NSCP will substantially increase the program's visibility and effectiveness throughout our nuclear organization.

New NSCP Charter

In recent years, the NU Board has been keenly aware of employee concerns issues. This interest and oversight has been even further heightened as witnessed by their recent approval of an NSCP Charter which defines the authority, objectives, and responsibilities of the NSCP. The charter formalizes existing reporting relationships whereby the Director of the NSCP reports functionally to me as Chairman of the Board, and administratively to John Opeka as Executive Vice President-Nuclear. The NSCP Charter is provided as Attachment 2 to this letter. As the Charter states, the principal responsibility of the program is to ensure "that all nuclear safety and radiological concerns brought to its attention are addressed in a timely and thorough manner, and that those who raise such concerns receive an appropriate response." The Charter further provides that the NSCP Director will have direct access to the Chairman of the Board of Trustees, as well as to the Chairman and members of the Corporate Responsibility Committee of the Board, if and when that access is necessary. The Charter also mandates the quarterly review of all open concerns in order to determine what actions are required to bring them to resolution, and that the Director of the program review with the Corporate Responsibility Committee any matters for which the Director believes management action is required and has not been taken.

As a result of your letter of June 3, 1992, to each member of the NU Board of Trustees, the Board has raised its awareness of the performance of the NSCP. The Corporate Responsibility Committee of the Board has been briefed twice since early June by the Director of the NSCP and has examined several typical NSCP cases. The NSCP Director also provided a briefing to Dr. Norman

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Rasmussen, in his capacity as a member of the Corporate Responsibility Committee, during which several investigative case files and results were discussed along with the protocols used to manage the handling of nuclear safety concerns.

One of the major points of focus of the 1990 enhancements to our NSCP was a measure designed to underscore the commitment that employees utilizing the program would be accorded confidentiality and anonymity if they wished. In its Executive Summary, the SRG described a concern among certain employees that confidentiality and anonymity might not be assured. Sensitive to this concern, and recognizing that both the maintenance and perception of anonymity are important elements in a successful nuclear concerns program, the new NSCP Charter reaffirms this important element of the NSCP in the section on "Responsibilities." The Charter provides as follows:

In carrying out its responsibilities, the program shall:

- (a) exercise a high degree of sensitivity to the confidentiality of individuals raising concerns up to the point where the risk of disclosure is outweighed by the Company's ethical and legal obligations to discover and correct as necessary, those concerns with a significant impact on the safe operation of our nuclear facilities; and
- (b) refer concerns to the organization most responsible/capable of achieving an effective resolution with due regard for the confidentiality of the concernee.

Confidentiality and the means for raising concerns anonymously are also prominently treated in NEO 2.15. In addition, the handling of employees who wish to remain anonymous and maintaining the confidentiality of the matters addressed by the NSCP are subjects dealt with at length in NSCP protocols.

Education about the NSCP

Because we believe that the effectiveness of the NSCP can be enhanced by integrating information about the program into our employee training sessions, since early this year an NSCP representative has participated in the segment on NSCP procedures included as part of NU's Administrative Procedure Training course. The NSCP representative assists the course instructor in answering employee questions and providing specific information on the functioning of the NSCP. The feedback from training instructors with regard to the NSCP participation in the training courses has been positive. In addition, trainees have been eager to discuss program-related issues openly with NSCP representatives. We believe that this enhancement to our program has already produced substantial benefits, and it is our plan to continue this new arrangement in future training sessions.

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The NSCP Staff has also provided input into the General Employee Training Program for employees. Additional information on new features of the NSCP has been provided through memoranda to all employees in our nuclear organization and through newly revised program posters located in various locations throughout Nuclear Engineering and Operations.

NEO 2.15, Revision 9

Revision 9 of the NEO 2.15 procedure describing the available means for handling nuclear safety concerns became effective on October 1, 1992. This revision reflects the changes described in this letter and clarified certain administrative details. In its Executive Summary, the SRG reported a perception of too high a threshold before a concern meets the definition of a nuclear safety concern. In response to that observation, Revision 9 advises employees of the historical and continuing acceptance of all concerns by the program, thereby lowering any threshold employees might have perceived as an obstacle to utilizing the program.

Elimination of the NRT

The Nuclear Review Team (NRT), an outside consultant organization (LRS Associates), for many years provided one of the parallel, alternative routes by which employees could seek resolution of nuclear safety concerns. With the implementation of the enhancements to the NSCP, the NRT's role in addressing safety concerns became somewhat redundant and was not widely used in this function or, in our view, as accessible as the peer representatives.

Accordingly, the Company has now eliminated the NRT's safety concern function (although we continue to use the services of Robert Staker, who was a member of the NRT, for other purposes). This change was announced in a memorandum that I sent to all nuclear employees dated July 31, 1992 (Attachment 3).

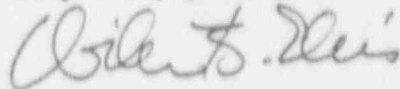
Conclusion

As indicated in my letter to you of April 15, 1992, the Company is proceeding with diligence to implement our PEP, which has been designed to address wide-ranging performance issues. In addition, NU has expended substantial effort in recent months in exploring methods of enhancing our employee concerns program. We anticipate that the enhancements implemented to date will make the NSCP more accessible and visible to employees and in that way foster an environment in which employees will not hesitate to express themselves on nuclear safety issues. Indeed, I can report that the items in the PEP Action Plan for the NSCP were completed earlier this year. The Action Plan will now be subject to the validation process of the PEP. Beyond that, we will continue to monitor the effectiveness of the NSCP and implement any necessary refinements which may come as a result of employee or peer representative feedback, our participation in the Edison Electric Institute subcommittee drafting program guidelines, or observations offered by the NRC.

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If you have any questions about these matters, I would be pleased to discuss them with you further.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert S. Davis".

cc: T. T. Martin, Region I Administrator
J. F. Stolz, Project Directorate 1-4
W. J. Raymond, Senior Resident Inspector, Haddam Neck Plant
P. D. Swetland, Senior Resident Inspector, Millstone Unit Nos. 1, 2,
and 3

Attachment 1

Nuclear Safety Concerns Program Enhancements Memo
April 30, 1992

December 1992



General Offices • Berlin, Connecticut

P.O. BOX 270
HARTFORD, CONNECTICUT 06141-0270
(203) 665-5000

WILLIAM B. ELLIS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

April 30, 1992

To: All NEO Employees

Subject: Nuclear Safety Concerns Program Enhancements

I am pleased to let you know about an organizational enhancement of our Nuclear Safety Concerns Program (NSCP). Under the direction of David Diedrick, we have been working to address the recommendations of the Allegations Root Cause Task Force. One of the recommendations was to enhance the program by the addition of Peer Representatives. These representatives are volunteers throughout the Nuclear Group who act as liaisons to the NSCP office. They are representatives whom you can contact in confidence, and who will assist you on any safety concern. They can serve as a liaison with Dave and Bob Zysk who will work to provide a response to the concern.

We continue to emphasize that the chain-of-command is the best way to resolve nuclear safety concerns, but we recognize that some people are not comfortable with this approach. By providing the peer representatives we hope to make it even easier for you to communicate with the NSCP. You will note that the representatives are scattered throughout the Nuclear Group both geographically and organizationally; however, they do not represent exclusively either their organization or their location. It is our intent that we have people in these positions who you will recognize and feel comfortable with in discussing your concern.

This new program is effective immediately and a list of the Peer Representatives is attached.

I am enthusiastic that this enhancement will further improve our program and will enable us to elevate the NSCP's visibility throughout the organization. Nuclear safety is paramount at Northeast Utilities and of course, is paramount with each of us personally. Our Nuclear Safety Concerns Program is a very important element of our commitment to safety, and its success--and our success as a nuclear plant operator--depends on each of us as well, to participate, to be vigilant in finding and reporting safety concerns, and to ensure that these concerns are resolved.

Very truly yours,

A handwritten signature in cursive script that reads 'Bill Ellis'.

NUCLEAR SAFETY CONCERNS PROGRAM (NSCP) PEER REPRESENTATIVES

<u>PEER REPRESENTATIVE</u>	<u>LOCATION</u>	<u>EXT.</u>
Frederick W. Altvater	Health Physics - Millstone 1	4222
Clifford J. Ashton	Nuclear Eng. - Berlin W007	5115
Roy E. Brown	Nuclear Services - CY	3517
Joseph M. Burke	Quality Services - CY	3531
Donald S. Cleary	Maintenance - Millstone 1	5317
John L. Criscione	Engineering - Millstone 2	4314
Gregory L. D'Auria	Chemistry - Millstone 2	4575
Paul F. Dillon	Site Eng. & Maint. - Millstone	4494
John W. Doroski	HP Support - Millstone	5784
Arthur F. Flath	Nuclear Eng. - Berlin N236	5795
Joseph S. Fowler	Cost & Schedule - Berlin E228	3834
Robert A. Grebasch	Gen. Construction - MP ROB	4396
Richard J. Halleck	Project Services - Berlin N017	3154
Walt E. Heinig	Quality Services - CY	3567
Randy J. Jacobson	Maintenance - Millstone 3	4224
Stephen E. Kane	Procurement Eng. - Millstone	5389
Frank J. Lukaszek	Project Services - Berlin N020	3846
Michael G. Manolakis	Nuclear Training - MP Simulator	2660
David W. Marzilli	Rad Assess. - Berlin W122	3005
Frank M. Matovic	Rad Materials - Millstone	4667
Robert E. Michaud	Quality Services - MP NAP	4911
Mark F. Peterson	Chemistry - Millstone	4971
Michael T. Smaga	Nuclear Eng. - Berlin W006	3994
George S. Smith	Health Physics - Millstone 1	4222
Michael J. Steinbuchel	Operations - CY	3575
Jeffrey Taylor	Tech Trn. HP - MP Trng. Center	2817
Paul Tulba	Rad Materials - Millstone	4227
James A. Tyrol	Engineering - Millstone 2	5752
Steve W. Wainio	Nuclear Eng. - Berlin W035	3858
Stephen J. Weyland	Project Services - Berlin N30	3287

Attachment 2

Charter of the
Northeast Utilities
Nuclear Safety Concerns Program

December 1992

Charter of the
Northeast Utilities
Nuclear Safety Concerns Program

I. Introduction

The Purpose of this Charter is to define the authority and responsibilities of the Nuclear Safety Concerns Program (the Program) of Northeast Utilities.

II. Statement of Program Objective

The objective of the Program shall be to assist the management of the Northeast Utilities system companies (collectively, the Company) in the effective discharge of their responsibilities to provide the Company with an effective means to ensure the safe operation of our nuclear facilities by addressing and resolving nuclear and radiological safety concerns.

III. Responsibilities

The Program shall be responsible for ensuring that all nuclear safety and radiological concerns brought to its attention are addressed in a timely and thorough manner, and that those who raise such concerns receive an appropriate response. Within the context of nuclear safety the Program shall carry out these responsibilities by investigating or referring for investigation those matters which:

- (a) may pose a threat to the safety of employees, contractors or visitors at our nuclear facilities, or the general public;
- (b) may violate the laws, regulations, codes and guidelines governing the operation of our nuclear facilities;
- (c) may deviate from Company policies, procedures and practices designed to ensure the safe operation of our nuclear facilities;
- (d) may create an environment inconsistent with the proper conduct of, or inhospitable to reporting of deficiencies with respect to, the operation of our nuclear facilities; or
- (e) may involve potential wrongdoing through act, omission or representation regarding the operation of our nuclear facilities.

In addition, the Program may, from time to time, consult on existing or proposed systems, projects, plans, policies and procedures of the Company. Participation in such activities will not preclude the Program from later investigating them. The Program, however, shall strive to use personnel for the investigation other than those who participated in the consultation.

Furthermore, the Program shall render such assistance to the Board of Trustees and any of its committees as required.

The Program shall have no direct responsibility or authority over activities or operations investigated. Although the Program may recommend courses of action, the responsibility for taking action in response to such recommendations shall rest with operating management.

In carrying out its responsibilities, the Program shall:

- (a) exercise a high degree of sensitivity to the confidentiality of individuals raising concerns up to the point where the risk of disclosure is outweighed by the Company's ethical and legal obligations to discover and correct as necessary, those concerns with a significant impact on the safe operation of our nuclear facilities;
- (b) refer concerns to the organization most responsible/-capable of achieving an effective resolution with due regard for the confidentiality of the Concernee.
- (c) refer to the Human Resources Group, concerns of intimidation, harassment and other employment related matters.
- (d) refer to the Corporate Security Department, concerns involving criminal wrongdoing or matters of a similar nature.
- (e) refer to the Internal Audit Department, concerns involving internal business controls, use of resources, fraud, conflict of interest or other irregularities.
- (f) refer to NU Executive Management, concerns involving the conduct of the Program.
- (g) refer to outside agencies, organizations or third party contracted consultants, concerns where such referral is necessary to maintain independence or objectivity or where it is determined that the overall effectiveness of the Program will best be served by doing so.

IV. Reporting Relationships

The Director of the the Program shall report functionally to the Chairman of the Board of Northeast Utilities and administratively to the Executive Vice President - Nuclear of Northeast Utilities.

The Director shall have direct access to the Chairman of the Board of Trustees of Northeast Utilities and shall meet with the Chairman from time to time to review:

- the nature, timeliness and adequacy of concern investigations and resolutions;
- the trending of concerns as a reflection on policies, procedures and management practices;
- the effectiveness of the Program and enhancements/-corrective actions necessary to achieve a high level of effectiveness.

The Director shall also have access to the Chairman and members of the Corporate Responsibility Committee of the Board, if and when that access is necessary.

The Board of Trustees or the Corporate Responsibility Committee may direct the Program to perform examinations or investigations in any area as the Committee deems necessary.

V. Relationship With Other Departments

The Program is granted access to all activities, records, physical properties and personnel of the Company. The Program shall conduct examinations and investigations in a manner that minimizes adverse impact on the day-to-day operations of the department involved, commensurate with maintaining nuclear and personnel safety and regulatory compliance. The departments and all personnel involved are expected to render appropriate assistance, including furnishing documentation, making personnel available for interviews and responding to requests for data within a reasonable time period, so as to facilitate the resolution of concerns.

VI. Reporting and Follow-up

The Program shall, after each investigation, prepare such written records as are deemed necessary to ensure concerns are resolved and an appropriate, timely, written response is provided to the Concernee. Where a resolution and response to a concern are predicated on a future action by functional line management, the Program shall make reasonable efforts to ensure those actions are in fact implemented.

The Program shall quarterly review all open concerns and determine what actions are required to bring them to resolution. The Director of the Program shall review with the Corporate Responsibility Committee any matters as to which the Director believes management action is required and has not been taken.

Approved by the Corporate Responsibility Committee of the Board of Trustees of Northeast Utilities on November 24, 1992.

William F. Steis
Chairman of the Board of Trustees

Attachment 3

Nuclear Safety Concerns Program Memo
July 31, 1992

December 1992



General Offices • Berlin, Connecticut

P.O. BOX 270
HARTFORD, CONNECTICUT 06141-0270
(203) 665-5000

WILLIAM B. ELLIS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

July 31, 1992

TO: Northeast Utilities Employees Involved in Engineering,
Design and Operation of our Nuclear Facilities

Even though we may all share some disappointment in the results of our recent nuclear operating record, I am writing to express my complete confidence in your ability to improve the operation and maintenance of our nuclear plants, and to encourage your freedom of expression on nuclear matters. In large measure our reputation in the nuclear industry results from your daily efforts to openly communicate those nuclear matters which are important to maintain Nuclear Safety as our number one objective.

Our reliance on each other's knowledge and understanding in the highly complex area of nuclear generation means we have an obligation to work as a team in addressing matters important to nuclear safety. I encourage you, therefore, to advise your supervisor of any concerns that you may have about nuclear safety at NU's nuclear units. However, if you would feel more comfortable doing so, I urge you to communicate with our Nuclear Safety Concerns Program (NSCP) through Berlin extension 3754, CY extension 3276, Millstone extension 4349 or by calling toll free 1-800-282-SAFE (7233). The NSCP has also been expanded to provide even easier access through your Peer Representatives. These volunteers, whose names and phone numbers are posted throughout your work locations, may be approached to assist you in properly addressing nuclear safety concerns. Any contacts with the NSCP will be kept confidential upon request.

You should also be advised that the Nuclear Review Team (NRT), headed by Mr. Robert G. Staker, will no longer be one of the available options for reporting nuclear safety concerns under our program. The NRT will continue to serve our nuclear program in its other roles, but if contacted about a nuclear safety concern will refer employees to the NSCP.

I assure you that contacts with your NSCP will be handled in a confidential manner. Your thoughts and suggestions regarding nuclear safety issues and concerns serve as the key to our continuing success, and I encourage you to expand and improve upon open communications at all levels.

Very truly yours,