

June 21, 1996

Memorandum For: Commissioner Dicus

From: Anthony W. Markley

Meeting: Courtesy Visit by Northeast Utilities, Inc.

Attendees:

Northeast Utilities, Inc.

Nuclear Regulatory Commission

Bernard M. Fox, President and Chief
Executive Officer

Greta Dicus, Commissioner

Bob Bush, President, Energy Resources
Group

Bradley Jones, OCM

Anthony Markley, OCM

Ted Feigenbaum, Executive Vice President
and Chief Nuclear Officer

Elizabeth T. Kennan, Trustee, Board of
Trustees

On June 11, 1996, representatives from Northeast Utilities, Inc. met with Commissioner Dicus and other NRC staff. The following items were key topics of discussion:

1. Northeast Utilities (NE) acknowledged that theirs was a company in trouble whose main mission was to re-establish trust by NRC, employee, and the citizens of Connecticut.
2. NE indicated that if the shutdown of the Millstone units continued for an extended period, the financial health of the company could be jeopardized.
3. NE indicated that their main mission in nuclear operations was one of safety first and the corrective action program would be effective.
4. The trustee indicated that the board was distressed at its own failure in adequately assessing the Millstone situation, the NRC visit to the board was essential, a new nuclear committee had been established to oversee operations and recovery, and "an intense commitment" was expressed to resolve the Millstone situation.
5. The New Exec VP & Chief Nuc Officer indicated that he has clear direction and full support and resources to address the issues at Millstone. He viewed the challenges were a function of culture, leadership, and management skills. Current efforts involved reassessing the last ten years of performance,

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corrective actions and employee concerns. 50% of the management had been changed and he intends to take the time necessary to ensure that things are done right. He indicated that actions will be thought out and not merely be reactionary.

6. The President of Energy Resources indicated that a new nuclear oversight team of industry and regulatory notables had been formed to provide oversight and input to resolve nuclear program and operating issues. New performance indicator systems had been established that involve physical measurements and include employee communications and working with other utilities. In addition, NE was reorganizing the five nuclear units into an operating organization with the focus on standardizing approaches and procedures to the extent practicable. Notably though, he felt that the problems at Millstone would be resolved quickly.
7. The Pres & CEO took exception to the terminology of "get well programs" as "pejorative." He indicated that the making physical/quantitative measurements of performance improvement and focusing on the management development issues made this improvement program different from others.