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March 7, 1994

Note to: File

From: Eileen McKenna *EM*

SUBJECT: COURTESY VISIT WITH NORTHEAST UTILITIES

On February 23, 1994, Commissioner de Planque met with Bernard Fox, President of NU, and Robert Busch, President of the Energy Resources Group of NU to discuss issues related to NU and their nuclear stations.

Mr. Fox discussed formation of the Energy Resources Group to handle generation and acquisition of electricity, and of a separate "retail services" group.

They also discussed the movement of managers within the nuclear industry. Mr. Fox expressed the view that this phenomenon would "self-correct" in a few years, and that this was not different than patterns seen in other industries before (e.g. data processing)

Mr. Fox discussed the management changes at NU, as precision targeting of particular problem areas, their efforts on cultural changes, some team-building strategies, issue of overtime pay for professionals (would like to shift to pay sharing based on plant performance, rather than on hours worked).

They also discussed the issues from the whistleblower report, and noted the impacts on employee-management relations, for instance, their legal counsel advising them not to meet one-on-one (open-door) with anyone to reduce legal liability.