

May 30, 1991

MEMORANDUM FOR: RECORD

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: DROP-IN VISIT - NORTHEAST UTILITIES

On May 22, 1991, Messrs. B. Fox, E.Mroccka, and R.Kacich from Northeast Utilities (NU) and Mr. W. Reynolds, NU Legal Counsel met with Messrs. J. Sniezek, J. Partlow, J. Scinto, J. Caldwell, and me to discuss items of mutual interest. Included in the discussion were the following topics:

- Seabrook, Public Service of New Hampshire (PSNH) status
- Millstone SALP

Mr. Fox indicated that NU was one step closer to the acquisition of Seabrook with PSNH having completed its reorganization and debt payments under bankruptcy protection. In addition, he indicated that NU required three items for the acquisition to become finalized: (1) a positive vote from the full FERC; (2) SEC approved securities on PSNH common stock; and, (3) NRC approval of the license transfer. Mr. Fox shared that the senior managers from PSNH were working well with the NU managers and that even though the Seabrook O/M budget had been cut, operations at Seabrook appeared to be going very well.

The NU managers were reminded of the continuing concerns with weld issues at Seabrook, and that they continued to be of keen interest to numerous members of Congress. They were urged to be fully responsive to the resolution of these issues so that this issue could be appropriately resolved and brought to closure.

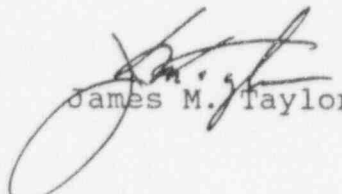
Regarding Millstone, the staff was informed that NU believed the plants were running well; however, NU was aware and concerned about the negative trends which were identified in their most recent SALP. Mr. Fox indicated that these trends were considered by NU to be unacceptable and that three separate task forces had been established to evaluate, determine the root causes and develop corrective actions for these negative trends. He went on to say that he had informed Region I that NU was committed to safety, to being an instrument of public policy, and to establishing the same posture with the NRC (e.g., being able to express their differences with the NRC but ultimately agreeing with the NRC if unable to convince them otherwise).

Mr. Fox also noted that NU had believed that communications with the NRC and others were good. Now, however, they understand that there have been problems in that area and they intend to correct them. They also understand that problems exist in the area of reportability. NU's present mode of operation is to report identified design problems early on. He assured the staff, that NU was willing to spend the necessary money to implement whatever corrective actions might be needed to reestablish NU's reputation of being an excellent performer.

It was also indicated that NU was aware that they were an outlier in the area of allegations. They believe that they have been making good faith efforts to resolve the problems in this area; however there hasn't been any noticeable improvement. NU has filed an FOIA to obtain more information on the allegations and Mr. Fox stated that this additional information should help NU in its root causes determination. He emphasized that NU had a deep concern with these problems.

Mr. Fox was reminded that one of the NRC's functions was to always be available to anyone who wanted to report what they believe to be a safety concern at one to the NRC's licensed facilities. It was also reemphasized that the NRC was obligated to follow up on these concerns and bring them to a timely and appropriate resolution.

The meeting adjourned at 3:00 pm. No regulatory decisions were requested or made.



James M. Taylor