

Mr. Bruce D. Kenyon
President and Chief Executive Officer
Northeast Nuclear Energy Company
P.O. Box 128
Waterford, CT 06385-0128

January 30, 1997

Dear Mr. Kenyon:

This letter is to acknowledge receipt of Northeast Nuclear Energy Company's (NNECO) December 23, 1996, letter proposing the selection of an independent, third-party organization to oversee the implementation of NNECO's comprehensive plan for: (a) reviewing and dispositioning safety concerns raised by its employees, and (b) ensuring that employees who raise safety concerns are not subject to discrimination. We have also received NNECO's January 14, 1997, letter that provides additional information on the proposed third party organization. We have scheduled a meeting on February 5, 1997, to discuss your proposal and the selection process.

Because Little Harbor Consultants, Inc. (LHC) who is the proposed contractor, does not have corporate history for work similar to that being proposed, and the proposed team primarily includes persons outside of LHC, the emphasis of our review is and will be on the qualifications and the financial and technical independence of the individual team members. To assist in our review, we have enclosed several topic areas that you are requested to discuss at the upcoming February 5, 1997, meeting. Also, please provide written responses to the enclosed topic areas by February 14, 1997.

We intend to review the resumes of each of the individual team members in detail and conduct interviews of each proposed member at a later date. Once we approve an organization, whether it is the one proposed or some other, we plan to conduct additional resume reviews and, possibly, interviews concurrent with our review of the proposed oversight plan and organizational structure. To assure that individuals are appropriately assigned to tasks within their expertise. This approach is necessary so that we can evaluate the adequacy of the team's expertise and experience, with an understanding of the specific tasks they will perform in the review. In the near future, we will be sending you another letter with a form to be signed by each team member certifying his financial independence from NNECO.

Sincerely,

Original signed by P. McKee for:
William D. Travers, Director
Special Projects Office
Office of Nuclear Reactor Regulation

Docket Nos. 50-245, 50-336, and 50-423

Enclosure: Discussion Topics

cc w/encl: See next page

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*See previous concurrence

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

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Sincerely,

William D. Travers, Director
Special Projects Office
Office of Nuclear Reactor Regulation

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Enclosure: Discussion Topics

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Discussion Topics

1. Describe the organizational structure of Little Harbor Consultants, Inc. (LHC). Include a description of past LHC experience in work associated with handling employee concerns.

Financial and Employment Independence:

2. How was the financial and organizational independence of LHC from NNECO verified? What criteria were used to establish independence and what information was reviewed?
3. Has LHC performed any previous work for NNECO?
4. Will future work that LHC may seek to perform for NNECO be restricted?
- 5.* Has any of the proposed team members been previously employed by NNECO or been employed by a contractor and assigned work involving any of the Millstone units? For any involvement by a team member, identify the work performed, the time frame, and controls to ensure the team member does not become involved in that same technical area as part of the third party team.
- 6.* How were team members screened to determine that they had no financial interests in NNECO? Does any proposed team member have financial interests (e.g., securities) in Northeast Utilities (NU)/NNECO?

Technical Expertise:

7. Describe any experience/qualifications of LHC or the proposed team in assessing employee concerns programs from the perspective of employees.
- 8.* Based on our preliminary review of the resumes in your proposal, it appears that, in general, the disciplines needed for the review are being provided. However, we request that you discuss the general qualifications of the review team and the overall distribution of the technical, investigative, and employee relations disciplines during the February 5 meeting.
9. Describe the team's experience in conducting root cause evaluations, developing corrective actions, and implementing corrective actions.

Oversight Process Issues:

10. Principal team members are identified in the December 23, 1996, proposal. How much time are the principal team members anticipated to devote to the third-party oversight effort?

* These topics were covered to various extents in the January 14, 1997, letter. Discussion of these topics could include amplification on the information already provided.

11. Your submittal states that LHC indicated that it will supplement or change team members as developments warrant. Please describe how this process will work. Include a description of how financial independence for these new individuals, if used, will be established.
12. What process is used at LHC to handle differing professional opinions among their staff?

Northeast Utilities Service Company

Millstone Nuclear Power Station
Units 1, 2, and 3

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Northeast Utilities Service Company

Millstone Nuclear Power Station
Units 1, 2, and 3

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