

July 16, 1996

Note To: Chairman Jackson

From: Brian Holian *BH*

Coordinated With: Annette / Marylee

Subject: Meeting with Northeast Utilities' Board of Trustees -  
July 18

Mr. Jay Gutierrez with the law firm of Morgan, Lewis, and Bockius requested this meeting on behalf of the Northeast Utilities' Board. Attending will be:

Mr. Robert Patricelli, Trustee  
Ms. Cotton Cleveland, Trustee  
Mr. George Davis, Chairman of the Advisory Team to the Board

Bios are attached.

#### Background

On June 11, 1996, the following Northeast Utilities (NU) executives visited Chairman Jackson.

Mr. Bernard Fox, President and Chief Executive Officer  
Mr. Robert Busch, President of Energy Resources Group and Chief  
Financial Officer  
Mr. Ted Feigenbaum, Executive Vice-President and Chief Nuclear Officer

Additionally, at the Chairman's request, a member of the Board of Directors, Ms. Elizabeth Kennan, attended.

During the drop-in visit, the NU representatives stated that their number one goal is to regain the confidence of the public and the NRC that they are capable of safely operating their nuclear plants. Mr. Fox stated that the company is dependent, as the state is, on the safe and successful operation of the Millstone station. He committed to ensure that all the resources that are necessary will be available to ensure safe operations.

The Chairman questioned the executives on their timetable for resolving the many issues they are confronted with. Additionally, during discussions of the processes they are utilizing to measure improvement, the Chairman cautioned that the proof of improvement will be in the results - not the programs. The Chairman indicated that the NRC will continue to examine the results of our inspection and investigative activities and will closely monitor NU's progress.

#### Discussion

- Feigenbaum's letter of May 31, 1996 provides an assessment of the challenges faced by the nuclear units to improve their performance and their plans for dealing with these challenges.

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- The letter admits to many longstanding issues at Millstone. The letter states that the issues reflect "a failure to correct known problems, ineffective handling of employee concerns, and a lack of management accountability." NU has also identified weaknesses in configuration management practices.
- In April, 1996 the Board of Trustees announced the formation of the Nuclear Committee. This committee provides high-level oversight of NU's nuclear operations and management's progress toward improving performance. The Nuclear Committee has established the Nuclear Committee Advisory Team (NCAT) to assist the Committee in the oversight role.
- At the same time the NCAT was organized, the Fundamental Cause Assessment Team (FCAT) was formed. The FCAT report was just issued (July 12, 1996) and is attached. Highlighted portion provides good background and findings.

Questions:

EX 5

OPEN OI:RI NORTHEAST UTILITIES (NU)/MILLSTONE INVESTIGATIONS

1-93-031	Millstone 3	Potential falsification of training records; evaluation continuing; candidate for upgrade to "R" during next reporting period
1-93-037	Haddam Neck	Potential wrongdoer rule violation; anticipate closure of evaluation during next reporting period
1-93-038	Millstone/Haddam Neck	Potential H&I of nurses at both sites; 2.206 petitions filed; DOL proceedings in progress; candidate for upgrade to "R"
1-93-044	Millstone 1	Potential H&I (T. Ross); 2.206 petition filed; no known DOL action to date; candidate for upgrade to "R"
1-93-047	Millstone 1	Potential H&I (C. Reynolds); 2.206 petition filed; no known DOL action to date; evaluation continuing
1-93-049	NU	Potential H&I (E. Abolafia); no known DOL action; candidate for upgrade to "R" during next reporting period
1-93-053	Millstone 3	Potential false statements and reportability violation re: the aux. building filter system; evaluation continuing; subpoena for documents issued

1-93-038

Millsto.

Potential falsification of I&C worker qualification forms; opened 12/1/93; Allegor: [REDACTED]

7A

7A portions

E/1  
4

with 2-2 portions

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