

*Northeast Nuclear Energy
Letter 4*



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

April 17, 1992

The Honorable Bob Smith
United States Senate
Washington, DC 20510-2903

Dear Senator Smith:

I am responding to your letter of February 19, 1992, in which you requested that the U.S. Nuclear Regulatory Commission (NRC) address concerns raised by Mr. Robert A. Backus, attorney for the Seacoast Anti-Pollution League (SAPL), regarding Northeast Utilities' (NU) takeover of the operation of the Seabrook Station. Specifically, SAPL is concerned about the recent firing of two Millstone Nuclear Power Station workers and the status of their discrimination suits. SAPL expressed concern regarding Northeast Utilities' ability to inculcate a work environment which would allow for nuclear workers to freely communicate and resolve safety concerns. Mr. Backus further requested that Congress investigate the NRC's handling of the safety allegations raised by Millstone Station employees.

In my February 19, 1992, letter to you, I described in detail the inspection and investigative efforts that the NRC took. I also addressed the safety allegations raised by Millstone Station employees, particularly the two individuals who were terminated by NU in November 1991. A copy of that letter is enclosed for your convenience.

The NRC staff has concluded that the facts in the case of these two individuals do not raise an immediate health and safety concern. Nevertheless, since my last letter to you, the NRC's Office of Investigations has initiated an investigation specifically focusing on the termination of these two Millstone employees to determine whether that action constituted discrimination by NU in violation of Section 50.7 of Title 10 of the Code of Federal Regulations (10 CFR 50.7), the Commission's regulation that applies to employee protection. This investigation is expected to be completed in about 6 months. Although the NRC is continuing this investigation, we note that NU and these two workers reached a settlement on March 4, 1992, which is pending before a U.S. Department of Labor Administrative Law Judge for recommendation to the Secretary of Labor regarding approval.

In my February 19 letter, I stated that a special NRC review group has been reviewing the written record possessed by the NRC to determine if an atmosphere exists (or existed) at NU's nuclear facilities which encourages (or encouraged) employees to identify and report quality discrepancies or other concerns, or has (had) a chilling effect on the willingness of NU employees to report such concerns. I have enclosed the Executive Summary of the Special

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Review Group's report. On April 6, 1992, the NRC made publicly available the Executive Summary, the Special Review Group's charter, and two attachments that outline the attributes used by the Special Review Group in evaluating the significance of the documents reviewed in the context of its charter. The staff is carefully reviewing the report to determine what additional NRC action is warranted.

The NRC addressed in its last two Systematic Assessment of Licensee Performance (SALP) reports NU's failure to effectively address the root causes for the large number of employee concerns and NU's inability to resolve these concerns internal to its organization. Since the NRC first raised its concerns in this area in 1989, NU has enhanced its employee concerns program to ensure prompt and adequate resolution of concerns. NU has, in most cases, promptly and thoroughly investigated the technical concerns raised by its employees that the NRC has referred to it for response and resolution. Moreover, the NRC has devoted a significant amount of technical staff time to review the resolution of these concerns. Since our last SALP report in early 1991, NU has taken additional actions to assess internally its handling of employee concerns and to identify the root cause for these concerns. The NRC, including our resident inspectors, continues to monitor NU's performance in this regard.

The staff has completed recently an initial assessment of the licensee's performance for the period of December 16, 1990, to February 15, 1992. The report of this assessment, the SALP report, will be available at the end of April 1992. We will provide you a copy of the report when it is released.

The NRC staff continues to review the transfer of the Seabrook operating license to NU and NU's ability to manage the safe operation of the Seabrook Station. The NRC has already reviewed the antitrust implications of the license transfer and found the transfer acceptable in this regard. The NRC staff will continue to evaluate the performance of NU at its Millstone and Haddam Neck nuclear stations as we make our decision on the transfer of operational management of Seabrook to NU.

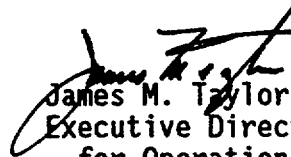
I appreciate the opportunity to respond to Mr. Backus' questions, and I assure you that the NRC will continue to conduct a complete evaluation of issues

The Honorable Bob Smith

-3-

surrounding the individuals whose employment was terminated and will closely monitor the overall performance of the NU organization and the continued safe operation of the Seabrook Station.

Sincerely,


James M. Taylor
Executive Director
for Operations

Enclosures:

1. February 19, 1992 Letter
2. Executive Summary
3. SRG Charter
4. Attachment 1 to the Plan of Review, dtd 12/24/91
5. Attachment 2 to the Plan of Review, dtd 12/24/91

BOB SMITH
NEW HAMPSHIRE

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COMMITTEES
ARMED SERVICES
ENVIRONMENT AND
PUBLIC WORKS
JOINT ECONOMIC
COMMITTEE

February 19, 1992

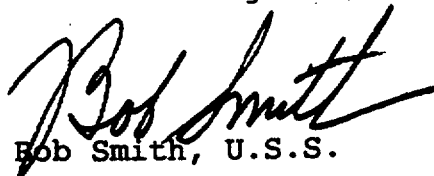
Kenneth M. Carr, Chairman
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Dear Chairman Carr:

Enclosed is a copy of a letter I received from Mr. Robert A. Backus regarding safety allegations at the Millstone plant. I would appreciate it if you would address the issues Mr. Backus has outlined in his letter, and forward your response to my assistant Joseph Kane.

Thank you in advance for your assistance in this matter.

With warm regards,


Bob Smith, U.S.S.

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ALSO ADMITTED
*TO MASSACHUSETTS BAR
**TO MAINE BAR

January 27, 1992

Senator Robert Smith
State of New Hampshire
State House
Concord, NH 03301

Dear Senator Smith:

Enclosed please find a copy of a letter which I have written, on behalf of the Seacoast Anti-Pollution League, to Senator Lieberman of Connecticut.

As you will see, this letter endorses a call for a congressional investigation of the NRC's handling of safety allegations raised by workers at the Millstone plant, and points out that this is of an interest to citizens of New Hampshire, in view of the fact that Northeast Utilities, the principal owner of the Millstone nuclear units, intends to take over the largest ownership interest in the Seabrook plant, and operate the Seabrook plant through a subsidiary.

Very truly yours,


Robert A. Backus

RAB:jsr

Enclosure

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ENERGY
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TO MAINE BAR

January 24, 1992

Senator Joseph I. Lieberman
One Commercial Plaza
Hartford, CT 06103

Dear Senator Lieberman:

As I am sure you know, Northeast Utilities of Berlin, Connecticut, New England's largest utility, is in the process of attempting a merger with Public Service Company of New Hampshire. As part of that merger, NU, through a wholly owned subsidiary, plans to take over operation of the Seabrook Nuclear Power Plant, now operated by New Hampshire Yankee, which is a division of PSNH.

As you may be aware, construction and operation of the Seabrook plant has been extremely controversial, given that the plant's location is less than two miles from New Hampshire's most heavily utilized beach resort, Hampton Beach. There is no doubt that the public health and welfare requires, as to any nuclear plant, and certainly one as uniquely sited as Seabrook, that the standard of operation, in all regards, be excellence.

In order to achieve a standard of excellence, we, at the Seacoast Anti-Pollution League, feel that it is imperative that management inculcate a work environment in which nuclear plant workers feel free, without intimidation or harassment, to bring forward safety allegations. Because of our concern about the impending takeover of management of Seabrook by NU, we have become very concerned about the recent record of NU management at the Millstone Plant. In particular, we are concerned about the recent firing of two Millstone Plant workers who had made hundreds of safety allegations concerning operations at Millstone.

Those workers, Donald DelCore, Sr. of Uncasville, and Timothy O'Sullivan of Glastonbury, have now won a decision from the Department of Labor ordering reinstatement, back pay, and compensation for damages and legal costs. This decision was based on a finding that "discrimination as defined and prohibited

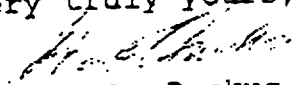
Page 2
January 24, 1992

by the statute was a factor in the actions which comprise his [DelCore's] complaint." We understand that NU is appealing this decision. We also understand that Mr. DelCore has furnished you a copy of this decision, and has requested an investigation into the continued inaction by the Nuclear Regulatory Commission concerning their safety allegations at Millstone.

Given the intent of NU to take over operation of the nuclear plant in Seabrook, New Hampshire, we want to strongly endorse Mr. DelCore's request for an investigation of the NRC's handling of safety allegations at Millstone. We should add that SAPL had requested a hearing on the license transfer, on this issue. (A license amendment is necessary under the Atomic Energy Act to transfer ownership and operation of Seabrook.) SAPL was denied a hearing by the Commission on the rather amazing ground that SAPL lacks standing to intervene, although SAPL has been an intervenor both in the construction permit and operating license proceedings before the NRC since 1974, and had never previously been denied standing to obtain a hearing on a safety issue.

Since the NRC has refused to grant an adjudicatory hearing on the issue of whether or not the transfer of operation of the Seabrook plant would be a safety concern, we believe a congressional investigation into the NRC's handling of this matter is both necessary and desirable.

Very truly yours,


Robert A. Backus, Attorney
for Seacoast Anti-Pollution League

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cc: Seacoast Anti-Pollution League
Congressman Richard Swett
Senator Robert Smith
Senator Warren Rudman
Senator Beverly Hollingworth