

Palone

July 18, 2000

Note To: Commissioner  
From: David  
Subject: Summary of Northeast Utilities (NU) courtesy Visit, July 7, 2000

You were visited by Messrs Bruce Kenyon, President and CEO of Northeast Utilities Generation Group and President and CEO of Northeast Nuclear Energy Company (NNECO) and North Atlantic Energy; Mr. Leon Oliver Senior VP and CNO of NNECO (Millstone); Mr. Ted Feigenbaum Executive VP and CNO (Seabrook); Mr. Stephen Scace, Director Nuclear Oversight and regulatory Affairs (Millstone).

Attached is the briefing I prepared for the visit.

Mr. Kenyon opened by stating there were no significant issues to discuss with you as opposed to many his previous visits; however, he did want to assure you (and the other Commissioners) that although NU is in the process of selling the Millstone Units for as long as NU runs the plants they will not let up on their expectations that they should continue to improve plant performance. Mr. Kenyon also stated that expenses such as plant modifications will continue to be funded to ensure the plant operates safely. He added that early on before beginning the auctioning of the Millstone Units to ensure that employees stayed focus on operations, NU put employee protection measures into place (one year guarantee on employment following any sale). Mr. Kenyon noted that while they were off the focus list they haven't relaxed and will continue the hard work that got them where they are.

Bids for the Millstone Units were due 7/16/00. Given that NU is soliciting bids for Unit 1 onsite fuel storage solution at this time, the final decision will be left for the new owner. The State is not delaying the sale, but IS delaying the merger.

The sale of Seabrook starts next year. They had hoped to begin this year, but working with the State took longer than expected.

In response to the question about the number of Millstone Unit 2 transients (from my attached briefing for you), Mr. Oliver said it was his belief that since Unit 2 had only run for 6 months in the last 5 years there were some legacy issues that people just needed time to get up to speed.

In response to license renewal question (from my attached briefing for you), Mr. Oliver said that he thought Millstone Unit 2 was a good candidate, but that only recently had they begun to study the feasibility this year. Mr. Feigenbaum added that Seabrook was too young to consider license renewal at this time but he didn't see any reason for not doing it.

A11