

Salem/Hope Creek --- potential SCWE/discrimination issue review

I have gotten impromptu briefs from several of you on this topic. I know there is a Thursday morning ARB meeting to review status. Here are some thoughts formed from several of these conversations that I would ask be addressed.

Potential chilling effect letter – Dan H. surfaced a draft. I would ask the following:

- is there a genuine pretext for such a letter ?... we talked about possibility that the lawsuit and company response of early December is such a basis?
- is there a precedent for this situation?
- what do interviews to this point tell us about whether the “tilting point” has been reached .... i.e., pressures are such that things have gone to far in the production mode at S/HC?... that there is a broad SCWE problem calling for specific actions by licensee?
- do interviews to date tilt the decision on chilling effect letter in one direction or another?

If we decide to issue a chilling effect letter, we need to do so soon if the lawsuit is going to be the principal basis or pretext. We won't be credible if we don't make this decision soon.

A few thoughts on questions being asked in interviews – we know, as we have discussed in the recent seminar and other occasions, that there is a new environment with all Reg I plants operating in a “merchant plant” status. The reality is that all plants are more focused on the business side than in the days when the PUC would cover virtually all costs. So, it should not surprise us if more questions are being asked about impacts on plant operation than before.

The question is not whether there is greater emphasis on keeping plants on line than before .... the question is whether there is excessive pressure on station personnel to keep the plant on line... or whether excessive pressure is being felt notwithstanding what management intends. These latter two questions are distinctly different but both pose potential problems that need to be addressed.

This, it seems, calls for a careful approach to questioning individuals. I have a few thoughts on how questions might be asked (they are likely already being asked this way but I just want to make sure we are explicitly asking them):

- granting that there may be more questions than years ago about avoiding impact on plant operations, are these questions reasonably in line with a sound safety perspective
- since many individuals say they will always do the right thing, we should ask for opinions on whether these individuals think others are consistently doing the right thing ... are there examples of problems?
- where some suspect the line is being crossed, how much of this seems to be a change management/communications problem vs. a problem of management intentionally pushing things too far?
- where problems are perceived, how much is the result of problems with organization/management effectiveness....(e.g., a poor work control process that has

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difficulty getting things fixed which, to many, may have the feeling of an organization that doesn't want to find and fix problems....?

Finally, I have asked that we look at the ECP and other (Gallup) surveys done by PSEG that they hang their hat on in their lawsuit response. The questions here include:

- how robust are these surveys
- are they as comprehensive as many others we have seen in the Region? (I suspect they are not)
- what do we think about these efforts.... We cannot either in reality or in perception carry any of the licensee's water in this area. They need to be doing things to get at perceptions.