



UNITED STATES
ATOMIC ENERGY COMMISSION
DIVISION OF COMPLIANCE
REGION I
970 BROAD STREET
NEWARK, NEW JERSEY 07102

REG File

201 645-3944

September 16, 1969

J. P. O'Reilly, Chief, Reactor Inspection and Enforcement Br.,
Division of Compliance, Headquarters

INQUIRY MEMORANDUM

CONSOLIDATED EDISON COMPANY, INDIAN POINT NO. 2 (IP-2), 247/69-B
PROPOSED REORGANIZATION OF CONSTRUCTION ACTIVITIES

During a recent visit to the IP-2 facility by our assigned inspector, a proposed plan for reorganization of construction activities was revealed. Pertinent information relating to the proposal follows:

1. The proposed plan calls for the formation of a new subsidiary company (Wedco, Inc.) within Westinghouse which is to essentially absorb the functions of United Engineers & Constructors* (UE&C), the present Westinghouse site involvement, and the procurement and vendor inspections presently handled by Westinghouse.
2. Wedco is to be involved in the activities of the IP-2 and IP-3 projects only and is tentatively scheduled to become functional on October 15, 1969.
3. A preliminary proposed Wedco organization has been prepared and some of the newly assigned personnel are arriving at the site.
4. Present speculation is that all UE&C supervisory people will be leaving the site. The UE&C site superintendent and a field engineer have already departed.
5. Morale of the UE&C supervision has not been noticeably affected; however, the indecision of their reassignment is of obvious concern.

*Architect-Engineers & Constructor (IP-2)

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6. The departure of UE&C and establishment of Wedco is contrary to the organizational coverage requirements described in the FSAR (various sections including Appendix B).
7. A potential letdown in individual efforts and loss of job continuity exists.
8. Con Ed indicates that they are following the transition on a daily basis and have given assurance that an orderly transition would be accomplished and every effort will be made to prevent any decrease in construction quality.
9. The change in organization will probably take place prior to Con Ed formally presenting the details to DRL. We have no firm knowledge with regard to the latter action.
10. We have been advised by Con Ed that the proposed organizational change should be handled in a confidential manner and that it is not presently available for general publication.
11. It is our understanding that this subject area was discussed informally in a meeting held between Con Ed, Westinghouse, and REG management.
12. Additional details relating to the proposed organization change will be included in CO Inspection Report No. 247/69-9.

R. T. Carlson
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Senior Reactor Inspector

cc: E. G. Case, DRS
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