

**North  
Atlantic**

North Atlantic Energy Service Corporation  
P.O. Box 300  
Seabrook, NH 03874  
(603) 474-9521, Fax (603) 474-2987

The Northeast Utilities System

Ted C. Feigenbaum  
Senior Vice President &  
Chief Nuclear Officer

September 29, 1995

Mr. T. T. Martin, Administrator  
Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406

Dear Mr. Martin:

I want to take this opportunity to express my appreciation for you and your Staff taking the time to meet with Harry Haynes and me on September 20, 1995. Consistent with our internal communications philosophy, we believe that there should be no surprises regarding the understanding that the NRC has of our reengineering progress and plans. I hope that our meeting was beneficial in this regard. The comments provided by you and your Staff during the meeting are valuable to us, as they serve as a reminder of areas that require increased attention on our part and those of which we need to be mindful.

We understand the importance of resolving our allegations issues. It is crucial to the success of our Nuclear Group, and to our reengineering efforts, that managers demonstrate a willingness to listen to employees and consider their ideas. Also important is timely communication of the results and decisions in a straightforward manner.

As it relates to reengineering, I will ensure that our communication efforts are comprehensive so that employees fully understand our reengineering goals. As we stated during our meeting, our only "sacred cow" is the safe operation of our units, and we must not have employees believing that reengineering will lead us to the "edge of conservative decision-making." Your message to us was very clear in this area.

I appreciate the reminder that you provided regarding our commitments to the NRC. We have reviewed those associated with the acquisition of Public Service of New Hampshire and we believe that they have all been met. That notwithstanding, we understand our obligation to properly consider our commitments as we go forward. In this regard, the recently-published NEI guidelines on commitment management should serve as an appropriate vehicle to evaluate commitments for possible modification or elimination.

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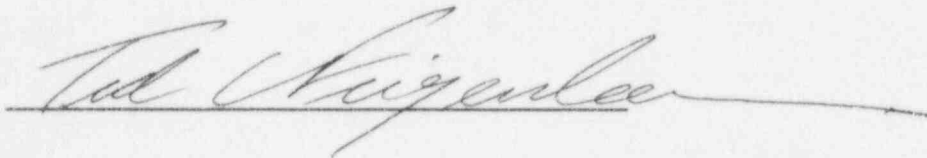
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I found your thoughts on the relative timing of evaluating our organizational structure and establishing our work processes insightful. Certainly the two are interdependent and we will be mindful of the need to establish an organization that will be responsive and supportive of reengineered work processes, rather than driving the process to fit some pre-established organizational structure. However, we feel that much can be done to determine high-level organizational structure once a clear "vision" of the future state has been established.

I look forward to describing our reengineering successes as we proceed. As we agreed, we will provide you an update every four to five months or as appropriate, with more frequent communications occurring with the appropriate Resident Inspector staff. Should you have any comments or questions regarding our efforts prior to our next formal update, do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ted Kriger", is written over a horizontal line. The signature is fluid and extends to the right beyond the end of the line.