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MEMORANDUM FOR: The File

SUBJECT:

MEETING WITH CINCINNATI GAS & ELECTRIC CO. OFFICIALS -- ZIMMER

(Docket No. 50-358)

On February 23, 1983 a meeting was held in the Office of William Dircks, EDO. with William Dickhoner, President, and William Moran, Vice President and 'General Counsel, of Cincinnati Gas & Electric Company. The meeting, held at , the request of CG&E, started at 11:30 a.m. and ended at 12:20 p.m. Other attendees, all from NRC, were James Keppler (R. III), Richard DeYoung (IE). Edson Case (NRR), and Guy Cunningham (ELD).

The purpose of the meeting was to discuss the implications of the-Commission's action on the CG&E request for approval of Bechtel to perform both the independent management review and subsequent construction management functions at Zimmer. Mr. Dickhoner inquired whether his understanding that Bechtel could perform one function or the other, but not both, was correct. He was advised that this was the staff's understanding of the position taken by a majority of the Commissioners. Copies of the several Commission memoranda on the subject, which were being made publicly available, were provided to CG&E.

NRC indicated that future steps would be in response to whatever proposals were made by CG&E. If a new party were proposed for the independent assessment, another public meeting, approximately two weeks after receipt of a proposal, would be held. Mr. Dircks indicated that a decision would be made promptly after such a meeting. The staff made it clear that it was still analyzing the Commission decision, and left open the possibility it might seek further procedural guidance from the Commission.

The possibility that Bechtel might be used for the independent assessment and a new entity sought for construction management was also discussed. Mr. Dickhoner made the point that this would save CG&E both time and money since it appeared that Bechtel could start the assessment almost immediately.

Mr. Keppler indicated that he would soon send a letter to CG&E outlining the staff position on future procedural steps. CG&E was also advised that the

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*staff recommendation to the Commission on the Bechtel issue would be made publicly available and provided to them.

Guy H. Cunningham, III Executive Legal Director

J. Keppler, R. III
R. DeYoung, IE
E. Case, IE
W. Moran, CG&E
PDR