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From: <VMBLANCH@aol.com>
To: TWD1.TWP4(wjs,ljn1),WND1.WNP2(dcd),WND2.WNP6(jxl),...
Date: 4/23/96 8:04pm
Subject: BLANCH vs. FOX

HARTFORD, Conn. (AP) - Community activists and a former employee of Northeast

Utilities' nuclear reactors are calling for the ouster of the company's top executives.

"We are hurting the state of Connecticut. We are hurting the ratepayers,"

Paul M. Blanch, a whistleblower, told a legislative panel.

Activists and company officials testified before the General Assembly's

Energy and Technology Committee on Monday. The public hearing was held in the wake of shutdowns at the company's three Millstone nuclear power plant reactors that have sparked concerns over safety and over costs that could be passed on to customers.

Little new light was shed on the problems of the embattled company, whose reactors in Waterford have been forced to remain closed by the Nuclear Regulatory Commission while it evaluates widespread failures to follow mandated procedures.

It also was unclear what lawmakers sought to accomplish from the hearing, other than getting responses to their concerns "on the record," said Sen. Melodie Peters, D-Waterford.

Northeast Utilities officials told lawmakers their nuclear plants lag behind the safety standards of the rest of the industry, but pose no danger to the public.

"The current state of our nuclear program is unacceptable to me. I am firmly committed to restoring our nuclear program to its former leadership role in this industry," said Bernard M. Fox, the company's president and chief executive officer.

Fox said the company expects to spend as much as \$30 million a month to supply replacement energy to customers and expects to pass on most of that cost to shareholders, not ratepayers.

"These costs will fall heavily on Connecticut's economy," Fox said, noting that most of the 70,000 shareholders in Connecticut are small investors.

Fox and other officials told lawmakers the reactors never posed a threat to the public, even if federal rules were not followed during refueling procedures.

The Millstone 1 reactor was shut down after regulators learned that, during refueling, workers would remove all the nuclear fuel rods and place them in a

40-foot deep storage pool filled with water.

The operating license stated that only one-third of the fuel rods could be removed during refueling and placed in the pool. Regulators later amended Millstone's license to allow removal of all the rods at once.

Still, NU officials pledged to make major changes, starting with a new nuclear management team and a new office of nuclear safety and oversight.

But activists like Blanch, who in 1992 uncovered problems at Millstone 1, said the company cannot be trusted.

Susan Perry Luxton, a Waterford resident and activist, called the plant "a bully, a lie and a cheat."

"That's what this neighbor is like," she said.

The Nuclear Regulatory Commission put the Millstone plant on its "Watch List"

three months ago, citing longstanding procedural violations that regulators said put monetary savings ahead of safety.

Northeast Utilities cannot put the reactors back on-line until NRC officials are assured the units can be operated safely and within license regulations.
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QDR

From: <VMBLANCH@aol.com>
To: TWD1.TWP4(wjs,ljn1),WND1.WNP2(dcd),WND2.WNP6(jxl),...
Date: 4/29/96 5:52pm
Subject: WSJ 4/29/96

Utility's Unit Makes Offer To Cut Rates April 29, 1996 WSJ

Northeast Subsidiary Seeks
To Get New Hampshire
To Delay Competition

By Ross Kerber
Staff Reporter of The Wall Street Journal

A unit of Northeast Utilities offered to lower its electric rates by as much as 10% if New Hampshire regulators agree to delay until the year 2000 a plan to open competition for customers.

The unit, Public Service Co. of New Hampshire, had received permission to raise rates by 5.5% this summer. But on Friday, the utility reversed its stance and offered to cut its rates instead, in response to a proposal in the state legislature to deregulate electric utilities in January 1998.

Public Service has about 400,000 customers, or 80% of New Hampshire's market. The state's rates are among the highest in the nation, resulting in pressure on politicians to find a way to lower them. The proposed legislation is supported by Public Service rivals such as Freedom Energy Co. L.L.C., Concord, N.H., and Utilil Corp., Exeter, N.H., which would face fewer costs associated with expensive generating capacity than Public Service.

Public Service's proposed rate cut would save customers about \$320 million over four years, the company said. As part of its offer, the utility wants the state to reduce the amount of expensive power it is required to purchase from independent producers. Currently, Public Service pays \$125 million a year for power it says it could produce itself for \$25 million.

Robert J. Frank, staff attorney for the state's public utilities commission, said the agency couldn't comment on the offer until officials have had a chance to study it. Other state politicians, including Gov. Steve Merrill, were quick to denounce the utility's proposal as insufficient and late.

Next month, the state will begin a pilot program in which utilities will be allowed to compete for the business of about 17,000 customers. State regulators expect rates will drop about 10%. Some energy marketing companies, such as Enron Corp., Houston, have hinted they will offer greater reductions to attract customers.

Separately, Northeast Utilities, Berlin, Conn., disclosed that it faces two lawsuits from shareholders in connection with operating problems at its Millstone nuclear power plant in Waterford, Conn., which is shut down and under investigation

by the U.S. Nuclear Regulatory Commission. The loss of the plant's power has greatly reduced Northeast Utilities' overall capacity, driving down the company's stock by more than a third since January.

In one suit, two Connecticut shareholders allege executives and board members failed to properly oversee the company's operation of the Millstone plant. In another suit, filed in Massachusetts, a shareholder alleges the company operated and maintained the Millstone reactors in an "egregiously slipshod" manner. Both suits seek unspecified damages.

Northeast Utilities said the complaints are "unfounded" and that it will vigorously defend itself.

Also on Friday, the NRC completed an extensive inspection of Northeast's Connecticut Yankee nuclear plant, in Haddam Neck, Conn., and allowed the plant to continue to operate. The agency gave the utility until May 30 to provide additional information showing the plant was safe to operate, a spokeswoman for the agency said.