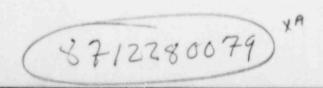
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MEMORANDUM TO FILE

On December 11, 1987, representatives of Middle South Utilities (MSU) (Ed Lupberger, President; Oliver Kingsley, Systems Energy Resources, Inc. (SERI) of Grand Gulf; and William Cavanaugh, President, SERI, R. McGhee, and Nick Reynolds) met with James Taylor, DEDO; T. Murley, NRR; W. Olmstead, OGC; and T. Martin, OEDO to discuss various programs and initiatives that could be of interest to the NRC. The following is a summary of the discussion:

- Mr. Cavanaugh stated that, under the new organization, he will report directly to Mr. Lupberger on nuclear matters.
- 2. The MSU nuclear management committee was discussed. This committee is made up of representatives from Arkansas Nuclear One, Grand Gulf, and Waterford and has recently focused attention on fitness for duty, plant operations and maintenance, and INPO initiatives. The MSU facilities presently have a uniform fitness for duty program with extensive drug testing including contractors used during outages. Activity with regard to INPO initiatives include specification of management principles and standards, and an operator's professional code of conduct. Additionally, MSU considers the INPO peer evaluation program to be a significant asset to the industry.
- 3. MSU is encouraging periodic backshift monitoring by management of plant operations, and they are stressing the responsibility of shift supervisors to ensure professional conduct of all shift personnel.
- 4. Mr. Cavanaugh considers the past year to have been good and has the goal of Grand Gulf being among the best plants in the country. A policy statement applying to all MSU facilities titled, "Excellence in Regulatory Affairs," will soon be promulgated. Mr. Lupberger stated that a significant long range priority of MSU is to be particularly responsive to the nuclear regulatory process.
- 5. Mr. Cavanaugh briefly discussed a recent trip he made to Europe, stating that he was impressed with the German and Swiss nuclear facilities. Several representatives of KWU are at the Grand Gulf site critiquing the present outage.
- 6. Mr. Cavanaugh suggested that an occasional briefing be held to discuss MSU initiatives jointly with Regions II and IV. Mr. Taylor was amenable.



 Mr. Taylor suggested that MSU look at possible improvements in the area of engineering support based on industry-wide concerns in this area.

> Original Signed By: James M. Taylor James M. Taylor

Deputy Executive Director for Regional Operations

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T Rehm TE Murley WJ Olmstead TO Martin JN Grace, RII RD Martin, RIV Central Files

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