



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF INVESTIGATIONS FIELD OFFICE REGION IV  
611 RYAN PLAZA DRIVE SUITE 1000  
ARLINGTON, TEXAS 76011

STATEMENT

Affiant	Street
William Cavanaugh, III	308 East Pearl Street
Location	City State Zip
Mississippi Power & Light Company	Jackson, Mississippi 39201
	Telephone No.: AC (601)969-2335

I, William Cavanaugh, III, hereby make the following voluntary statement to D. D. Driskill, who has identified himself to me as an Investigator with the U.S. Nuclear Regulatory Commission. I make this statement freely with no threats or promises of reward having been made to me.

I am the President and Chief Operating Officer of Mississippi Power & Light Company (MP&L), Jackson, Mississippi, and have held this position since April 1, 1984. I was previously employed by Arkansas Power & Light Company and between approximately April 11, 1983 and July 25, 1983 served as Senior Vice President - Nuclear Operations for Louisiana Power & Light Company (LP&L), New Orleans, Louisiana.

In about early May, 1983, LP&L Corporate Security Department (headed by Wallace Friloux) began an investigation regarding the alleged drug use by a Reactor Operator employed by LP&L at Waterford 3. I recall that the investigation ultimately disclosed that this individual had used marijuana both on and off the Waterford 3 site. I believe this individual identified several other Operators as having used marijuana off-site. I believe that Friloux's investigators also interviewed these individuals. Although I do not recall reading any of the investigative reports regarding this matter, I was frequently briefed concerning the investigation by Friloux and Ross Barkhurst, the Waterford 3 Plant Manager.

Partly as a result of this investigation, I reviewed the LP&L Waterford 3 site rules and regulations regarding drug and alcohol use on site and determined they were not strong enough. I then initiated efforts to strengthen these policies and also took steps to implement a Drug Awareness Program. These improved site procedures were completed and implemented in about June, 1983.

This investigation also brought to my attention a number of LP&L policy questions we needed to consider and address. These issues were LP&L's position and rights regarding an employee's off-site use of drugs and regarding the use by LP&L of polygraph examinations. I had frequent meetings with Barkhurst and Friloux regarding the progress of the investigation and these issues.

G-10

8806270054



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF INVESTIGATIONS FIELD OFFICE, REGION IV  
611 RYAN PLAZA DRIVE SUITE 1000  
ARLINGTON, TEXAS 76011

STATEMENT

(Continued)

During the course of this investigation, it came to my attention that one or more of the Operations Department personnel (Reactor Operators) interviewed displayed a non-cooperative attitude toward the investigators. I was upset about this and discussed this with both Barkhurst and Friloux. I told Barkhurst to instruct his personnel that they were to cooperate with the investigators and told Friloux that his investigators needed to work on developing better relationships with plant personnel.

During about mid-June, 1983, Barkhurst expressed his concern to me that this investigation was having a disruptive impact on the Reactor Operators who were preparing to take the NRC Licensing Exam on July 12, 1983. Therefore, Barkhurst, Friloux, William Nelson (the LP&L Senior Vice President - Administration & Services and Friloux's supervisor) and I discussed the matter and agreed to delay continuation of the investigation of the Reactor Operators until after the Licensing Exam. Barkhurst recommended that during the delay, the investigation of drug use be redirected to personnel in the Waterford 3 Maintenance Department.

It was my understanding that after July 12, 1983 emphasis would be re-directed back to the Operations Department. I didn't believe, in my mind, that there was ever a cessation of the investigation. I resigned my position with LP&L on July 25, 1983 and was never informed of the status of the investigation after I left.

Prior to my departure, I discussed this investigation with Mr. Leddick, my replacement, and recommended he get a confidential briefing from Friloux and Barkhurst regarding details of the investigation.

~~NOTHING FOLLOWS ON THIS PAGE~~ *WV*



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF INVESTIGATIONS FIELD OFFICE, REGION IV  
611 RYAN PLAZA DRIVE, SUITE 1000  
ARLINGTON, TEXAS 76011

STATEMENT

(Continued)

During my employment with LP&L, I normally had weekly meetings with Mr. James M. Cain, Chief Executive Officer, LP&L. During May and June, 1983, on several occasions, I generally discussed with Mr. Cain the investigation and its impact on some existing LP&L policies. I told Mr. Cain about my strengthening the site procedures regarding drug and alcohol use and he concurred with the actions I had initiated. Mr. Cain was concerned about the investigation, as I was. To the best of my recollection, I told Mr. Cain that I had recommended to Mr. Leddick that Mr. Leddick receive a confidential briefing regarding this investigation from Friloux and Barkhurst.

I would like to emphasize that at no time was I aware of a decision by anyone to stop or cover up this investigation. Furthermore, I recall instructing Barkhurst to brief the NRC Resident Inspector regarding this matter. I also understood that Friloux would brief the NRC Region IV Safeguards Inspector concerning this investigation.

*WC*

I have read the foregoing statement consisting of 3 <sup>*WC*</sup> handwritten/typed pages. I have made and initialed any necessary corrections and have signed my initials at the bottom of each page. I fully understand and have discussed the statement with Investigator *D. DeSkill*. This statement is the truth to the best of my knowledge and belief.

Signature:

*William Johnson*  
Name

Subscribed and sworn to before me this 5<sup>th</sup> day of December, 1984 at JACKSON, Ms.

Investigator:

*Donald A. Hill*  
Authority: Section 161c AEA 1954 as amended

Witness:

*Richard A. Hill*  
Name/Title

Initials of Person Making Statement *WC*